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Mr Murdoch has three weeks to seal purchase of The Times

The new proprietor of "The Times", its supplements and "The Sunday Times" will be Mr Rupert Murdoch, if he can reach agreement with staff and unions within three weeks. Mr Murdoch, aged 49, owner of "The Sun" and "News of

the World", committed himself last night to maintain the editorial quality and independence of the five Times Newspapers' titles. The initial reaction of print union leaders was optimistic [Report, page 2].

Editorial quality and independence are guaranteed

By Dan van der Vat

Mr Rupert Murdoch, owner of "The Sun" and "News of the World", is to be the new proprietor of "The Times", its three supplements and "The Sunday Times" if he can reach agreement with the trade unions and the staff within three weeks. It was announced last night.

Mr Murdoch, aged 49, owner of large newspaper, television and other interests in his native Australia and in the United States, committed himself at a press conference to maintaining the editorial quality and independence of the five titles backed by an enhanced presence of national directors on the board of Times Newspapers.

"I have operated and launched newspapers all over the world. This new undertaking I regard as the most exciting challenge of my life", Mr Murdoch said.

Mr Gordon Brunton, managing director and chief executive of Thomson British Holdings, said that the conditional bid made by News Group, Mr Murdoch's company, was "not the highest bid in the sense that other bids were comparable".

It had come closest to the criteria laid down by Thomson. Associated Newspapers and the other potential bidders prepared, like Mr Murdoch, to take over the five papers as a going concern.

Neither Mr Brunton nor Mr Murdoch put a figure on the sale, but Mr Murdoch promised that if he succeeded in his forthcoming negotiations and the sale was completed, he would make a figure.

Mr Brunton said that Thomson had told the Government of the proposed sale and an application for consent would be sent to the Secretary of State for Trade under the terms of the Fair Trading Act, 1973.

The secretary of state is required to refer newspaper mergers to the Monopolies and Mergers Commission if their result is that the proprietor owns newspapers with a combined daily sale of more than

500,000. But he can waive the referral if the papers concerned are in imminent danger of closure.

Mr Murdoch said that the commission could not possibly be expected to complete an inquiry before the middle of March, by which time Thomson planned to close the five titles if no sale had been completed. "If that happens, all bets are off", he said.

If the papers closed down he would withdraw, as he would if his talks with the seven trade unions concerned and their 54 chapters (office branches) at Times Newspapers failed.

Mr Murdoch told the crowded press conference in a London hotel: "During the negotiations both parties have been particularly mindful of the criteria laid down by the voting committee with its national directors. I have had no hesitation or difficulty in accepting those criteria in full."

The vetting committee was made up of Sir Denis Hamilton, Editor-in-Chief of Times Newspapers, Mr William Rees-Mogg, Editor of "The Times", Mr Harold Evans, Editor of "The Sunday Times", and the four national directors, Lord Dacre of Glinton, Lord Greene, Lord Robens of Woldingham and Lord Roff.

All except Lord Robens, who is in America, met Mr Murdoch on Wednesday night and unanimously accepted Mr Murdoch's undertakings about the integrity and independence of the papers. Lord Robens was consulted by telephone. The meeting lasted 30 minutes.

Yesterday the lawyers on two sides completed details largely concerned with tax matters.

Sir Denis Hamilton said that the articles of association of Times Newspapers would be amended to incorporate Mr Murdoch's undertakings on the sale became unconditional.

Mr Rees-Mogg said that the undertakings went beyond those made in 1966 when Thomson bought "The Times" and its supplements.

Mr Murdoch said he was forward to meet the criteria put to him.

The undertakings include



Mr Murdoch (centre) with Mr Rees-Mogg (right) and Mr Evans yesterday.

increasing the number of national directors from four to six and extending their renewable term on the board from the present one to a future three years, with the right to approve subsequent appointments to their membership.

The board will appoint the editors or dismiss them only if a majority of the national directors consent. A similar majority will be required before any of the five titles can be sold.

Mr Murdoch also undertook to preserve the separate identities of the newspapers and the independence and authority of their editors in matters of staffing, political policy and the maintenance of the titles as "editorial independent newspapers of high quality". There would be no interference by the proprietor in the selection and balance of news and opinion.

Mr Murdoch said last night that he had no intention of reselling "The Times" once he completed the proposed purchase of Times Newspapers. He denied that his interest in the company had originally been

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confined to "The Sunday Times", its prime commercial asset. He could not recall ever having referred to "The Times" as "a lame duck".

Asked if he thought he could tie up agreements with the unions and all 54 chapters in three weeks after Thomson had failed to do so over several years, Mr Murdoch said: "I am always an optimist." He made it clear that agreement had to be reached with every chapter and every union without exception.

He said he would be asking for agreement on "meaningful cuts, which he believed were absolutely essential though he

gave no details, and on the introduction of new technology, again without saying in what form or on what basis. If he failed to achieve that in the agreed period, "I'll be gone".

It was his firm intention, given success with the unions, to maintain uninterrupted production through March. Staff who were to be retained would be offered their jobs back immediately after the three-week negotiation period, Mr Murdoch said. (All employees of Times Newspapers are now under notice.)

He added that he would be responsible for making redundancy payments to those members of staff who would not be offered their jobs back as a result of his demanding plan. He recognized that it would be a heavy task to reach agreement with the unions. A fresh approach by a new party at the right time offered a chance for a breakthrough.

Mr Murdoch said he wanted to make "The Times" successful. Continued on page 2, col 6

Ex-Speaker killed by IRA as reprisal

From Christopher Thomas Belfast

The Provisional IRA announced yesterday that it killed Sir Norman Strang, former Speaker of the Northern Ireland Parliament, and his son James on Wednesday night in reprisal for killings by "loyalist" gangs.

Sir Norman, aged 86, and his son, a bachelor aged 48, were shot at point-blank range in the library of the family home, Tynan Abbey, a mile from the border in South Armagh. Most of the home was left in ruins after the killers set off at least two incendiary bombs.

An intensive search on both sides of the border continued throughout yesterday without success.

The IRA said in a statement in Belfast: "This deliberate attack on the symbols of hated Unionism was a direct reprisal for a whole series of loyalist assassinations and murder attacks on nationalist people and nationalist activities."

That was a reference to the attempt to murder Mrs Bernadette McAliskey, the former MP, and her husband Michael at their home in Co Tyrone on Friday, as well as the murder of four leading republican activists since last May: Mrs Miriam Daly, Mr John Jurney, Mr Noel Lyle and Mr Ronald Bunting.

Sir Norman and his son set off flames from the house after the killers had burst open the door with an explosive device, and the bright light alerted the police.

At least ten terrorists were involved in the operation, which began when two families were held captive in the village of Tynan. Other terrorists used their cars to drive to the abbey, built in 1790 and set in 900 acres of farm and woodland.

The police arrived as the killers were escaping in the stolen cars. One vehicle was rammed by a police car and a 10-minute gun battle followed. There would have been police casualties but for the armour plate and bullet-resistant glass in their vehicles.

Some of the police returned fire, using high-powered Armalite rifles and hand guns. The killers ran across the fields in the pitch darkness towards the border.

The terrorists were wearing black berets and combat gear typical of the IRA. They did not wear masks and their age was estimated at around 23. Helicopters with searchlights were brought in by the Army.

Police in the area were alerted to the attack through the Irish Republic set up roadblocks and within a short time hundreds of men were involved in the search.

Almost every section of opinion in Ireland yesterday condemned the murders, but the IRA said: "For us, the decision to take such reprisals represents a real departure, no matter how sections of the media and the politicians have attempted to misconstrue, which we are determined to maintain."

The IRA said it was planning to take further reprisals against the Royal Ulster Constabulary and Ulster Defence Regiment.

Our operations against these targets have been based on their involvement in the Crown forces. But our decision to take reprisals for the activities of loyalist paramilitaries is being taken on a political basis. The responsibility for reprisals rests four square on their shoulders."

Sir Norman was Speaker of the Northern Ireland Parliament for 24 years and was one of Unionism's most revered figures.

News fund gift: Weeks before Sir Norman and his son were murdered they sent a big donation to a "freedom from tyranny" fund to commemorate the first Irish Republic.

Mr Airey Neave, the Tory MP, who was also murdered by Irish Republican terrorists, Lady Airey of Abingdon, his widow, said yesterday when she presented the first Airey Neave Memorial Trust scholarship (the Press Association reports).

Kidnap failed: Police in the Republic of Ireland yesterday foiled a £100,000 ransom plan when they discovered and released Miss Ann Hudson, who was kidnapped on Monday, in a flat near Dublin (Our Dublin Correspondent writes).

Two men from Northern Ireland were helping police with their inquiries last night. Four men had burst into a house in Courtown, Co Wexford, and kidnapped Miss Hudson.

Photographs, pages 5, 14
Obituary, page 14

Torturing of hostages ends hope of better US-Iran relationship

From David Cross Washington, Jan 22

President Reagan today voiced the anger being felt by all Americans when he received a detailed report from Mr Carter about the mistreatment of many of the 52 former hostages by their Iranian captors.

Mr Walter Mondale, the former Vice-President, who took the handwritten report to the White House today, said that Mr Reagan was "outraged" when he read it. "The American people will be outraged and appalled by the barbaric treatment," he added.

The disclosure of acts, which in some cases amounted to physical and mental torture, is putting pressure on the new Administration to renounce the agreements concluded by Mr Carter with Tehran. Mr George Bush, the Vice-President, said today that Mr Reagan and his advisers would "review every page of the documents" before deciding whether to honour the accord.

If Mr Reagan does decide in due course to honour and to carry out the agreements in full, the mistreatment of the hostages will almost certainly torpedo any efforts there might have been to try to repair American-Iranian relations in the foreseeable future.

The process of examining all the many thousands of words of complex legal and financial arrangements is expected to take several days. But so far members of the new Administration have indicated that they will probably stick by the terms of the agreement unless something totally unexpected turns up in the documents.

Nonetheless, he urged the new Administration to honour the terms of the agreements. "Our nation's word of honour is at stake," he said. "I signed on behalf of our country those agreements and it would be a serious thing for us to violate them." He added that it was "perfectly legitimate and necessary" for Mr Reagan to

A spokesman for Mr Alexander Haig, the new Secretary of State, said today that the new Administration "fully intends to carry out the obligations of the United States" under the terms of the agreement it had signed. Nevertheless, it is studying the extent of those obligations.

The basic agreement is contained in what is entitled a "declaration" by the Government of Algeria, which acted as an intermediary in the negotiations, and it is not entirely clear how legally binding this is on the United States. The spokesman explained that this was one of the many points the new Administration was examining.

Mr Carter, who returned to his home town of Plains, Georgia, early today after his mission to Europe to welcome the hostages on behalf of Mr Reagan, had reacted with "unbelievable savagery" towards "absolutely innocent American hostages".

"Month after month after month after month, when there was no evidence the hostages had done any illegal act, they still took pleasure in abusing them—psychologically, and sometimes physically," he said. "They acted like animals almost."

Nevertheless, he urged the new Administration to honour the terms of the agreements. "Our nation's word of honour is at stake," he said. "I signed on behalf of our country those agreements and it would be a serious thing for us to violate them." He added that it was "perfectly legitimate and necessary" for Mr Reagan to

Continued on page 6, col 4

Tehran critics jeer at claims of victory

From Tony Alloway Tehran, Jan 22

Iran's opposing political factions exchanged verbal blows today in the opening round of a predicted feud over the release of the hostages.

The moderates, fiercely assailed by the ruling diehards yesterday, emerged fighting from their corner with an editorial in the newspaper *Mizan*, which attacked the "opportunistic, monopolistic and imperialist methods" that, it claimed, resulted from the hostage-taking.

In a separate column the newspaper sarcastically suggested that the Americans' student captors were happy about the release because they could now devote all their attention to running the Government.

Equally sarcastic, but far more specific, was the newspaper *Islamic Revolution*, which supports President Abolhasan Bani-Sadr. In an editorial entitled "Which victory?" it noted that so far only \$2,700 (£1,100) of Iran's frozen assets had been transferred to the Bank of England instead of Iran's total estimated \$15,900 assets. "Congratulations!" said the editorial.

It also noted that not one penny had been seen of the Shah's assets, the return of which was once a central demand of Iran.

It went on to accuse Iran's negotiators of failing to tie the United States to a specific commitment not to interfere in Iran's internal affairs as the Majlis (Parliament) had insisted. Even the commitment given to the United States of a review of the validity and executive guarantee. How simple can a mind be to believe that imperialism would abide by such commitments?

The editorial added: "Among the results of the crisis were censorship, suppression of those who have freed the hostages, political, social and economic collisions with our revolution which stimulated anti-Islamic and anti-Iranian feelings on a world-wide scale; the propagation of a culture of lies and terror in internal disputes; an economic boycott; the loss of what remained of our foreign exchange reserves and, ultimately, the stagnation and decay of the national economy."

Brutality denied: Mr Behzad Nabavi, the chief Iranian negotiator, has indignantly denied that the captives were tortured, the official Pars news agency reported. Mr Nabavi said Iran had videotaped interviews with the hostages in which they said they were well treated and had no complaints.—Reuter.

Hostage victory, page 6
Leading article, page 13

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10,000 to lose jobs in next few months

By Peter Hill Industrial Editor

Nearly 10,000 workers in the shipbuilding, engineering, motor and plastics industries including a company for which the Prime Minister once worked, face redundancy over the next few months.

Talks between British Shipbuilders and members of the Confederation of Shipbuilding and Engineering Unions over the corporation's plans to make 3,200 workers redundant by the end of March ended after six hours last night. A joint statement will be made later today when the plan to shed jobs has been put to a delegate meeting of the confederation.

In the Midlands, motor industry union leaders believe that Lucas Industries, a leading component supplier, is planning to make 17,000 workers redundant. They expect most of the cutbacks to take place in the Birmingham area although other plants in Lancashire, Staffordshire and north London could also be affected.

Since last June, as the motor industry has slumped, Lucas has shed about 8,000 jobs through redundancy and natural wastage. 17,000 employees of Lucas Electrical will today receive letters from the company explaining the fall in sales and increasing competition in overseas markets.

Lucas would not comment on the expected cuts and said that the unions were "only guessing".

On Merseyside, one of the areas worst affected by the recession, Tate & Lyle announced that it is to close its sugar refinery at Liverpool with the

loss of 1,600 jobs. It will drive the unemployment rate to 15 per cent still further. The refinery and related distribution facilities will be closed as soon as possible and the company will face a redundancy bill of nearly £30m.

In East Anglia, Storey Brothers, Britain's leading producer of polyvinyl chloride (PVC) sheeting and film, is closing its factory at Bramham, near Ipswich, in 15 months with the loss of 1,000 jobs. The company is the only European producer of Xylonite, a cotton-based plastic, and cambage, which is used in mothballs and medical dressings.

As Miss Margaret Roberts, the Prime Minister worked as a research chemist at the company's former research centre in the neighbouring village of Manningtree. She spent two years with the company after leaving university before starting her political career in 1949.

Manufacturing at the plant will be run down gradually and will close in April. Production will be moved to a sister factory at Lancaster, creating 200 new jobs.

Company officials blamed the closure on "poor performance" at the factory. Mr Robin Swail, the managing director, said: "Profit in the two years has been insufficient to cover major losses over the past years."

Midland Electric Manufacturing, a Birmingham company within the Delta Metal Group's electrical division, said that 550 of its employees were to become redundant over the next four months as part of a restructuring of operations.

Tate & Lyle closures, page 15

Strike halts BA flights at Heathrow

By David Felton Labour Reporter

There will be almost no British Airways flights out of Heathrow this morning because of a 24-hour strike by 20,000 engineering maintenance and ground staff over a pay dispute.

The airline yesterday hoped that it would not have to cancel all its flights but later had to draw up new plans after the announcement that the strike had been made official by the Transport and General Workers' Union.

Cancellations of flights start from 6.30 am although the airline was expecting operations to be back to normal tomorrow.

All intercontinental flights scheduled to arrive at Heathrow today will still land but will not fly out again. Intercontinental and domestic services from Manchester will not be affected, but the Heathrow-Manchester shuttle, and the shuttles to Glasgow and Edinburgh, have been cancelled.

The engineering staff decided on the strike after rejecting an 8 per cent pay offer. Shop stewards also claim that the airline is in breach of a wages and conditions agreement.

Mr Larry Smith, executive officer of the TGWU, said last night that the union had made the strike official after requests from the Heathrow workers and to "demonstrate to British Airways that we are in the business of seeking the best rates of pay for our members".

Meanwhile the British Airports Authority announced that it had agreed a 9 per cent pay deal with its staff at the seven airports it operates.

Life jail sentence on embassy terrorist

By Stewart Tendler Crime Reporter

The terrorist who took part in the Iranian Embassy siege last year and survived was sentenced at the Central Criminal Court yesterday to life imprisonment for his part in imposing "unspeakable terror" on the hostages.

Sentencing Farzi Nejad, aged 23, to life imprisonment on each of five counts connected with the siege, Mr Justice Park told the former Iranian dock worker that he and five others attacked the embassy at a time when they knew "there were on the premises a large number of unsuspecting men and women whose lives would be used for bargaining".

At the beginning of the trial Mr Nejad pleaded guilty to conspiracy to murder, firearms offences and unlawfully imprisoning Police Constable Trevor Lock. But he pleaded not guilty to the murder of Mr Abbas Abbas, the embassy press attaché, and Mr Ali Samadzadeh, a student.

Yesterday, on the sixth day of the trial, Mr Nejad, after consultations, pleaded guilty to the manslaughter of the two hostages. Mr Kenneth Richardson, QC, for the Crown, told the court the pleas were acceptable.

He said the picture that emerged was by no means as clear as it might be. Evidence had come before the court showing dissension among the terrorists and the position of the defendant. He said that "different snapshots" were being presented by different people of what had happened and of Mr Nejad's involvement.

Hostages gave evidence that

the men of the Special Air Service Regiment who attacked the embassy killed terrorists after they had thrown away their weapons and surrendered. Mr Richardson said it was clear to anyone who heard the evidence that the SAS attack was planned carefully but they could not at any stage have known of the disposal of weapons.

There was a picture, he agreed, of "the SAS deliberately running down unarmed men who had to their knowledge surrendered". On the evidence that was "wholly misleading".

The soldiers went into the building against ruthless, fanatical and heavily armed terrorists. They knew a hostage had been killed and threats had been made to kill one every two minutes. There did not seem to be much doubt that "soldiers as soldiers were shooting to kill, which is what soldiers are trained to do".

That was the picture facing the SAS men. They could not be expected to know weapons had been thrown out of the window or where grenades were or how much attention they could afford to pay to cries that the terrorists had given in.

Mr Justice Park said that throughout, evidence had been given showing the heroism of Police Constable Lock. He added: "He exhibited complete physical courage in tackling a younger, armed terrorist."

The judge said that the Director of Public Prosecutions, who was in court, should ask Sir David McNea, the Commissioner of the Metropolitan Police, to consider some way of recognising Police Constable Lock's conduct.

Factors beyond police, page 4

Israeli storm over West Bank housing report

Three Israeli firms have been given state land in the centre of Jerusalem in exchange for agreeing to build houses on Jewish settlements in the occupied territories, according to a radio report. The report has caused a furor, but the Housing Ministry denied knowledge of the scheme. About 18,000 Jews live in the West Bank.

EEC pay dispute

EEC member governments are to be taken to the European Court of Justice for agreeing to a pay agreement. That action was decided on as the Commission's 8,300 employees staged a one-day strike in protest at the foreign ministers scrapping an agreed procedure for calculating annual pay rises.

£271,400 record salary

A United Kingdom salary record has been set by the gases group BOC International. Its chief executive, Mr Richard Giordano, an American, was paid £271,400, higher than any other executive in the country. A BOC spokesman said it was similar to Mr Giordano's previous earnings in the United States.

Seamen press on

The National Union of Seamen, which has rejected a 12 per cent pay offer, stepped up its action against ferry companies, but its action against the General and Municipal Workers' Union announced that its local authority manual workers had accepted 7.5 per cent, and Ford workers had accepted 9.5 per cent.

Commons jobless clash

Mr Margaret Thatcher and Mr Michael Foot clashed in the Commons over fears that the unemployment figures next Tuesday will show a rise to more than 2,500,000. The Prime Minister refused a request for a debate.

Strikes in Polish cities

Polish workers, bus drivers and office employees have staged strikes of between one and four hours in about 10 cities in protest against the Government's refusal to compromise on work-free Saturdays. Solidarity union leaders want to restrict to one Saturday a month the work in the Government has ordered work on two Saturdays.

Schools Council study

The Schools Council is to undergo a fundamental review of its constitution and functions. The Government is expected to name an independent body for the study, which will include officers of the Department of Education and Science and local authority associations.

South Africa: There is speculation that Mr Pieter Botha, Prime Minister, may call an early election when Parliament assembles today.

Classified advertisements: Personal, pages 22, 24; Appointments, 4, 21; Car buyers' guide, 22

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Letters: On drugs, from Dr P. H. Connell; art grants, from Professor E. C. Wedell, and others

Leading articles: Future of "The Times"; The United States and the agreement with Iran

Opus Dei: The unseen influence, by John Horowitz; Michael Biondo's Moscow Diary

Sport, pages 8, 9

Cricket: England pick Butcher for first match in West Indies; Motor racing: Melkham firm to produce grand prix tyres; Football: How Enfield measure up against past glories; Boxing: Canada may introduce headguards

Arts, page 11

David Robinson on new films in London; David Wade on Family Voices (Radio 3); Noel Goodwin

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FUTURE OF THE TIMES

Optimism by unions over offer after preliminary meeting

By Donald Macintyre

Printing union leaders reacted with optimism last night to the conditional agreement with Mr Rupert Murdoch for the purchase of *The Times*, *The Sunday Times* and the three supplements.

While forecasting that detailed negotiations, which will begin on Monday, will be tough, union general secretaries last night left two hours of preliminary talks with Mr Murdoch hopeful that agreements can be reached in the three weeks allotted for their completion.

Mr Joe Wade, general secretary of the National Graphical Association, said he was "delighted" that Mr Murdoch had come forward as the purchaser of the papers. Mr Owen O'Brien, general secretary of the National Society of Operative Printers, Graphical and Media Personnel (Nasop), and Mr William Keys, general secretary of the Society of Graphical and Allied Trades, did not appear to see Mr Murdoch's statement that "considerable redundancies will be necessary" as an insuperable obstacle.

Mr Wade said his union accepted there may have to be some redundancies among members. He believed that the agreement already reached with Times management in principle on the introduction of some new technology would form the basis of discussions on that topic with News International, Mr Murdoch's group.

Mr O'Brien, whose union has an estimated 2,000 members at Times Newspapers Ltd, said last night: "We may have to fight him on this as we did at the *Sun*. It depends what he means by 'considerable'." He added: "Mr Murdoch is tough but he sticks to his word. My initial reaction is that we are pleased that there is a single buyer for the whole of the titles."

Mr Keys said that after a meeting of his 1,000 members at TNL on Wednesday he believed they would be prepared to accept "limited redundancies provided the need for these can be proven."

Mr Keys said he does not believe that Mr Murdoch would be able to assess the scope of possible redundancies until his executives have had a chance to study production methods and processes at Gray's Inn Road.

Mr Kenneth Rees, general secretary of the National Union of Journalists, said: "From what we understand of the prospectus put before prospective buyers, I am fairly confident that we shall be able to secure the majority of our members' jobs on these titles."

Mr O'Brien said: "Our union would definitely oppose a reference to the monopolies commission. This would be no more a monopoly than Lord Kemsley had when he was running at White Grove (Manchester) and owned a large number of titles."

He said of Mr Murdoch's pledges of maintaining the newspapers' editorial independence: "If he has given a guarantee, he is a man of his word until he is proven otherwise. I do not believe that journalists of the calibre of Harold Evans (editor of *The Sunday Times*) would have been accepted other than copper-bottomed guarantees."

Mr Keys, who acknowledged that he had had informal contacts with Mr Murdoch in the advance of the completion of negotiations with Thomson British Holdings, said: "I would like to study it more carefully, from what has been read out to us on editorial integrity and editorial independence, I believe that the guarantees that we would have sought from Mr Murdoch have been given."

On industrial relations, he said the unions were not surprised at the deadline of three weeks and added: "Three weeks will concentrate our attention to the job at hand. Mr Murdoch's statement that he would like to study it more carefully, from what has been read out to us on editorial integrity and editorial independence, I believe that the guarantees that we would have sought from Mr Murdoch have been given."

Mr Ashtons said he needed more time to think about the offer. He said the monopolies commission should be pursued, but added: "I think it is essential that it is seen in the public eye that editorial independence will be maintained."

He said he was prepared to consider whether that can be better achieved by an agreement with the proprietor than with reference to the monopolies commission.

Mr Ashtons said he believed it would be useful to have a meeting between the national management and NUJ members at TNL to "go into details" on these safeguards which will be entered into the articles of an agreement.

Of the conditional agreement, he said: "It gives us a lot of many chances for securing an operation like this. It is one of the last chances."

The Times chapter (office branch) of the National Union of Journalists last night wrote to all members urging support for the Commons early day motion which calls for any sale of Times Newspapers to be referred to the monopolies commission.

The chapter will also seek to establish an editorial safeguards committee to ensure that the assurances given by Mr Murdoch are carried out.

Ministers also believe that the commission could be ordered by the Government to report rapidly before the Commons closes its debate on early March.

Mr Francis Pym, leader of the House, came closest, publicly, to an appreciation of the seriousness of the issue. While declining Mr Foot's request for a debate next Monday on the proposed acquisition by Mr Murdoch, Mr Pym remarked: "Do not let us be under any misunderstanding about the importance of it."

The transfer of Times Newspapers requires the consent of the Secretary of State for Trade. Mr John Biffen, Minister of State for Trade, said: "The transfer of the newspaper to Mr Murdoch's ownership is a matter of considerable importance and we will be considering it in the coming weeks."

When Mrs Thatcher declined, Mr Foot rose to seek an understanding of the Opposition before a final decision.

Mrs Thatcher and Mr Pym after her declined.

Ministers believe that such a reference would be no more nor less appropriate than was the reference to the commission in Lord Thomson's bid 14 years ago.

Mr Rupert Murdoch's publishing career began in 1952 on the death of his father, Sir Keith Murdoch, founder of the family newspaper empire. Yet after death duties had been paid, the only paper left to the young Mr Murdoch was *The News*, in Adelaide.

On that slender base he built a publishing empire that was to extend across Australia's main cities. It consisted of four daily and evening papers, three of them in Sydney, three Sunday papers, two television stations and two magazines, in-

cluding the country's best-selling television guide.

Most of the Australian papers rely on a combination of sex and sensationalism, which is the hallmark of his British publications, although the *Australian* is a middle-brow paper, in British terms a cross between *The Daily Telegraph* and the *Daily Mail*.

By 1973 he was ready to try his luck in the United States, buying two papers in San Antonio, Texas. The next year he launched *The Star*, a weekly tabloid aimed at housewives and sold mainly in supermarkets. Some issues sell as

many as four million copies, second only to the *National Enquirer*, the leader in that market.

New York he is best known as proprietor and editor-in-chief of the *New York Post*, the city's only evening paper, which he bought as a staid and fading tabloid four years ago. He has made it less staid and more sensational and has increased its circulation from about half a million to more than 700,000.

In doing so he has alienated some former readers who believe the "Pragmatic mom in terror" approach is alien to the city. It used to be New York's most liberal paper but in last year's presidential election it came out in support of the conservative candidate, Mr Ronald Reagan.

To effect the transformation of *The Post*, he has imported a set of non-American executives. Of six chief editorial men named on the masthead, three are from Australia, two from Britain and one from New Zealand.

He is highly unpopular with the proprietors of the city's other New York papers, *The News* and *The New York Times*. That dates from a

printer's strike in 1978, when Mr Murdoch broke ranks and did a separate deal.

At the end of last year he began a circulation war with *The News*, which brought out an afternoon edition, *The Post* seems to be winning so far.

He is also the owner of the *New York Magazine*, a glossy weekly, and *The Village Voice*, a weekly newspaper aimed at the young. He leaves them largely to their own devices editorially and the *Voice*, in its column of press criticism, has sometimes had some rough things to say about Mr Murdoch and his papers.

Mr Murdoch's publishing empire in Australia, Britain and the US

From Michael Leapman New York

Mr Rupert Murdoch's publishing career began in 1952 on the death of his father, Sir Keith Murdoch, founder of the family newspaper empire. Yet after death duties had been paid, the only paper left to the young Mr Murdoch was *The News*, in Adelaide.

On that slender base he built a publishing empire that was to extend across Australia's main cities. It consisted of four daily and evening papers, three of them in Sydney, three Sunday papers, two television stations and two magazines, in-

cluding the country's best-selling television guide.

Most of the Australian papers rely on a combination of sex and sensationalism, which is the hallmark of his British publications, although the *Australian* is a middle-brow paper, in British terms a cross between *The Daily Telegraph* and the *Daily Mail*.

By 1973 he was ready to try his luck in the United States, buying two papers in San Antonio, Texas. The next year he launched *The Star*, a weekly tabloid aimed at housewives and sold mainly in supermarkets. Some issues sell as

many as four million copies, second only to the *National Enquirer*, the leader in that market.

New York he is best known as proprietor and editor-in-chief of the *New York Post*, the city's only evening paper, which he bought as a staid and fading tabloid four years ago. He has made it less staid and more sensational and has increased its circulation from about half a million to more than 700,000.

In doing so he has alienated some former readers who believe the "Pragmatic mom in terror" approach is alien to the city. It used to be New York's most liberal paper but in last year's presidential election it came out in support of the conservative candidate, Mr Ronald Reagan.

To effect the transformation of *The Post*, he has imported a set of non-American executives. Of six chief editorial men named on the masthead, three are from Australia, two from Britain and one from New Zealand.

He is highly unpopular with the proprietors of the city's other New York papers, *The News* and *The New York Times*. That dates from a

printer's strike in 1978, when Mr Murdoch broke ranks and did a separate deal.

At the end of last year he began a circulation war with *The News*, which brought out an afternoon edition, *The Post* seems to be winning so far.

He is also the owner of the *New York Magazine*, a glossy weekly, and *The Village Voice*, a weekly newspaper aimed at the young. He leaves them largely to their own devices editorially and the *Voice*, in its column of press criticism, has sometimes had some rough things to say about Mr Murdoch and his papers.

Mr Murdoch's publishing empire in Australia, Britain and the US



Mr Gordon Brunton and Mr Denis Hamilton in London yesterday.

Newspaper executives' statements at conference

Undertakings aimed at protecting editorial quality and integrity

Sir Denis Hamilton, chairman and editor-in-chief of Times Newspapers Holdings Ltd, read the following statement to a press conference in London yesterday:

A series of specific formal undertakings were given last night by Mr Rupert Murdoch, who will be responsible for the editorial content of the papers, to ensure that the editorial quality and integrity of the papers will be maintained.

Mr Murdoch said that he was committed to the highest standards of editorial quality and integrity, and that he would ensure that the papers would continue to be free from political bias and from any form of censorship.

He also said that he would ensure that the papers would continue to be free from any form of financial or other interference, and that he would ensure that the papers would continue to be free from any form of political or other bias.

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will require the agreement of a majority of the independent national directors.

4. Maintenance of editorial independence: Irrespective of these rights of the independent national directors, the editors of the papers will be free to bind themselves to preserve the separate identities of the papers and to maintain the independence and authority of their editors in the appointment and control of their staff: over the political policy of the papers, and in all respects to maintain the titles as editorially independent newspapers of high quality. Each of the two editors will be free to make his own decision on matters of opinion and news and each would be free to disagree with the other and with any other newspaper in which Mr Murdoch has an interest.

In particular Mr Murdoch subscribes to and undertakes to observe the following principles relating to editorial integrity:

(a) The *Times* and the *Sunday Times* are free from party political bias and from attachment to any sectional interest. They will be subject to no restraint or inhibition either in expressing opinion or in reporting news, and will be free to express their views on matters of public interest and on matters of political or commercial interest.

(b) In accordance with the traditions of the papers, their editors will not be subject to instruction from either the proprietor or the management on the selection and balance of news and opinion. They have the right to refuse to publish any advertisement.

(c) The editors will be given the right to be given to journalists only by their editor and by those to whom he has delegated authority.

(d) The editors of each of the papers will be free to make their own decisions on matters of opinion and news and each would be free to disagree with the other and with any other newspaper in which Mr Murdoch has an interest.

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supplements should have the same responsibilities and prerogatives in relation to their paper as the editors of *The Times* and *The Sunday Times*.

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Early start to negotiations with priority for continuous output

By Bernard Withers and Philip Webster

Mr Rupert Murdoch, questioned at a press conference yesterday, said he was optimistic of getting the cooperation of the trade unions. Asked what would happen if agreement was not reached in three weeks, he declared: "I will be gone."

Among the questions and replies were the following: You have been quoted as saying *The Times* is a lame duck. Do you intend to sell it?

Mr Murdoch: I do not intend to sell it. I do not know when I said it.

You have made it clear that your interest is in buying a newspaper, not in selling one. Do you want *The Times* as well?

I never said that, nor was I on record as saying that. The newspaper accounts which said I originally approached Lord Thomson for *The Sunday Times* are totally inaccurate.

How much did you pay for the titles?

I cannot tell you; too much, of course, but we are not paying anything until these conditions are agreed and until such times as the offer and the deal become unconditional.

Has a preliminary figure been agreed? Everything has been agreed.

How confident are you in getting the cooperation of the unions? I am always an optimist.

How long is this conditional situation to last? For three weeks. We have to have agreement with all the chapels in three weeks.

Do you aim for continuous production? Absolutely.

Do you have agreement with any unions at the moment or are they all yet to come?

There are no agreements with the unions or the chapels. We hope to be starting negotiations as early as Monday.

Do you perceive redundancies among members of staff? There will be redundancies.

Large scale? That is a matter of definition but considerable redundancies are necessary.

How will you make newspapers running at a loss into a profit? It will mean much hard work.

What will you do? Work hard.

Who pays for the redundancies, you or Lord Thomson?

I will be paying for the redundancies that we negotiate with the chapels.

Will there be negotiations on new technology as well? We will be talking about new technology as well.

Direct input? That will be a matter for negotiation.

Is it said that redundancies would be likely to cost £50m?

No.

How much? That will depend on the extent to which we achieve agreement with the unions. I would assume considerably less than that.

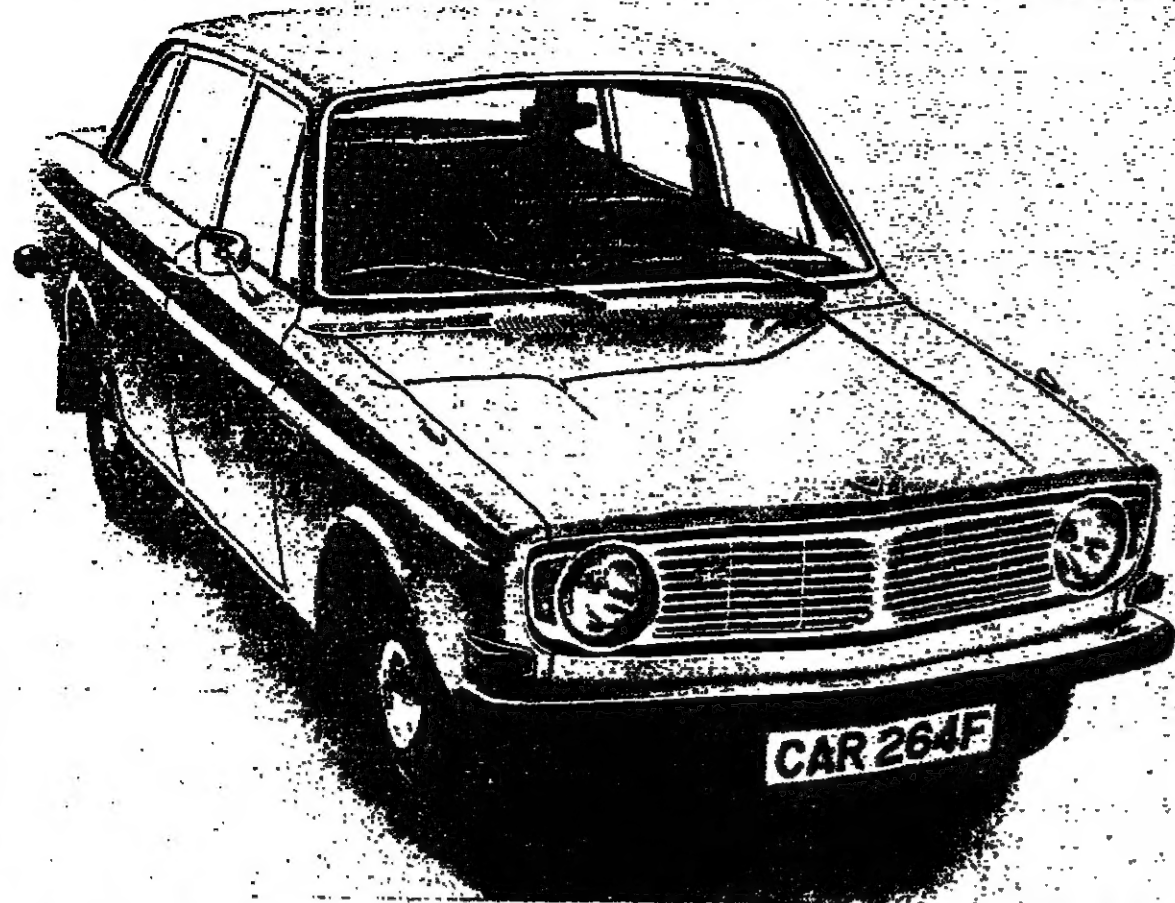
Why do you think you will be able to succeed where Times Newspapers' management has failed in negotiations with the unions? I think that very often in these circumstances that drag on for a long time a fresh approach at the right time has a chance of breaking through.

Lord Thomson wanted *The Times* as a monument. Why do you want it? I want to make it successful. I think that nothing would be better for *The Times* or for the press of Great Britain than for *The Times* to become viable.

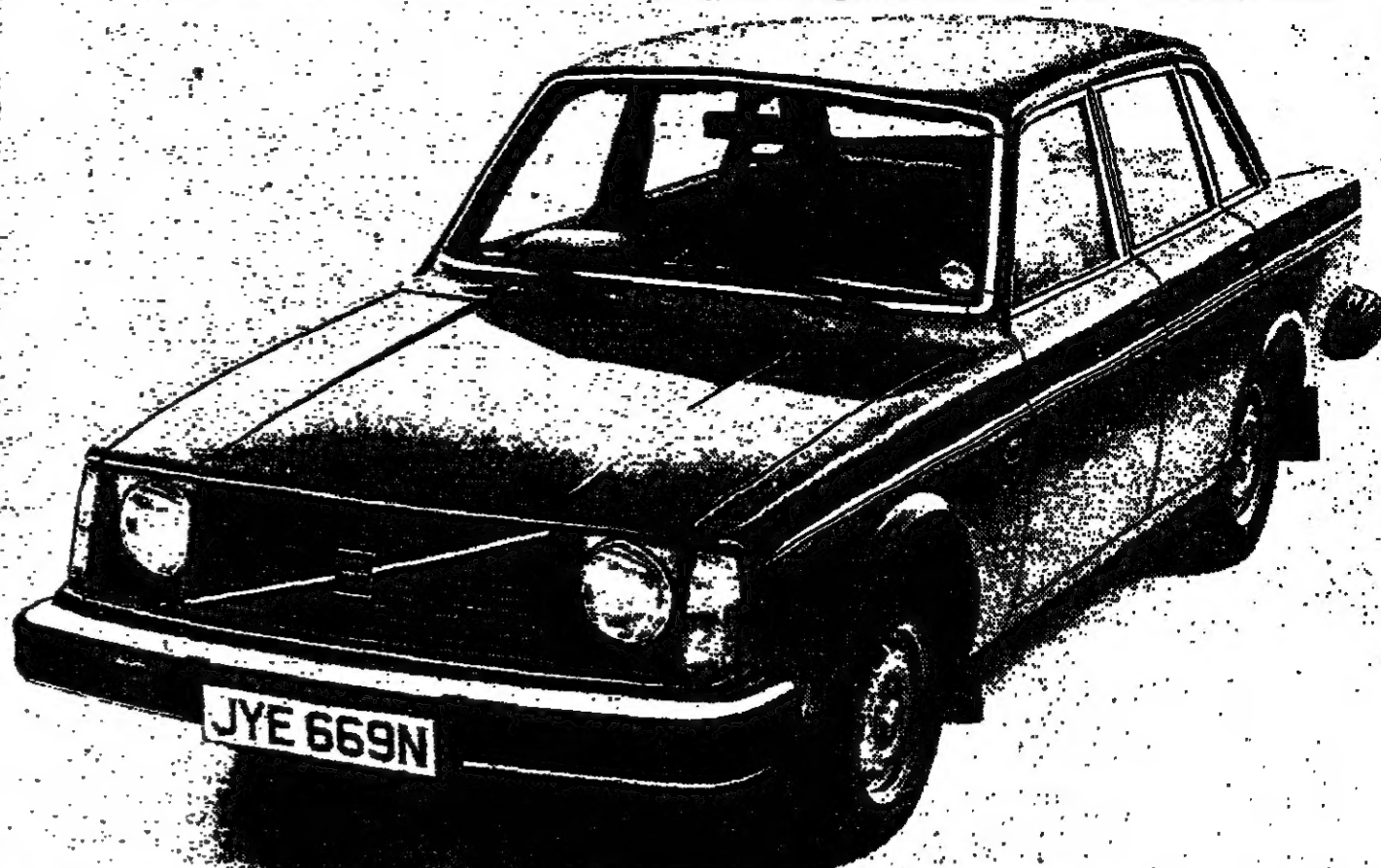
Do you intend to edit and publish in London? Yes.

If it cannot be made into a profit-making venture will you subsidize it? That will depend on the attitude of the staff and whether we make progress.

1967. SO STRONG AND SQUARE IT WAS NICKNAMED THE TANK.



1975. THOSE BIG BUMPERS REMINDED PEOPLE OF A SNOW PLOUGH.



COULD 1981 BE THE YEAR THEY STOP CALLING THE VOLVO NAMES?



1981. THE BUMPERS DON'T STICK OUT, THE LINES ARE CLASSIC. IS THIS THE VOLVO THEY CALL A CAR?

To be honest, if we have made the new 200 Series Volvos more attractive, it's not entirely on purpose.

Those elegant new headlamps were designed for safety reasons - we wanted a little more wrap-round for better visibility.

(Of course, once we'd changed the headlamps we had to tidy up the grille, too.)

On the GL and GLE, the spoiler was introduced, not to balance the car's looks, but to improve the aerodynamics, and help performance.

Even our infamous bumpers were sacrificed in the interests of efficiency, not beauty.

The new bumpers are 13kg lighter and because they don't stick out so much the car is easier to park.

We make the bumpers from incredibly tough aluminium alloy and they more than meet the Common Market's proposal on energy absorption.

(The front bumper is even mounted on telescopic shock absorbers.)

Our new fascia.

Inside the car, our designers had similar priorities.

Our new fascia was designed to be more practical and incidentally ended up looking more inviting.

We moved the centre console 35mm to bring the controls closer to hand.

We made space for more instrumentation and more storage for oddments.

Strangely, it all looks rather good.

Of course, some of our improvements are in the good old Volvo tradition and scarcely visible at all.

Like a better lock for the glove box. And on the GL and GLE, ventilated front disc brakes.

But we suspect it's the outward changes that people will really notice.

Even if they notice them for the wrong reasons.

Please send me the 1981 Volvo Introduction Pack.
To: Volvo Customer Services, High Wycombe, Bucks HP12 3P
Name _____
Address _____

Post code _____ **VOLVO. A CAR WITH STANDARDS.**

THE 1981 200 SERIES VOLVOS START AT £6637 (DELIVERY & TAX). USER PLATES EXTRA. MODEL FEATURED IS THE 244 GLE WHICH COSTS £8653. SALES TEL: HIGH WYCOMBE (0494) 53444.

HOME NEWS

Mr Foot is pressed to support the formula favoured by MPs to elect Labour Party leadership

By George Clark
Political Correspondent

Mr Michael Foot, the Labour leader, may seek to intervene early in the debate at the special Labour Party conference at Wembley tomorrow to argue for the kind of electoral college the Parliamentary Labour Party would like to see created for future elections of the leader and the deputy leader.

He is due to speak at the end, when the conference has come to a decision.

But he has been pressed by a number of MPs to intervene and use his influence in favour of the alternative voting system supported by the parliamentary party: 50 per cent for the MPs, 25 per cent for constituency parties and 25 per cent for the trade unions and other affiliated organizations.

Last night Mr Foot was still undecided, but he made clear that he was against the proposition, from the left-dominated national executive committee, that each sector of the party should have one third of the college vote.

The first 90 minutes of the conference will be devoted to a debate to decide which of five main options should be adopted. The choice lies between an electoral college at the annual conference; a separate electoral college; a postal electoral college; a postal ballot of all party members; and miscellaneous propositions.

When one of the principles has secured more than 50 per cent of the vote, the conference will proceed to various

proposals for carrying that principle into practice.

Mr Foot's objective will be to show Labour MPs, and especially those on the right, that he is anxious to preserve for MPs the dominant role in choosing the party leader, who has to be elected by their votes in the Commons.

Dr David Owen, MP for Plymouth, Devonport, and a leading member of the "gang of three", who are threatening to lead a breakaway movement, yesterday repeated that the special conference would be a "watershed" in the history of the party.

Interviewed in the BBC radio programme, *The World at One*, Dr Owen was told that Mr Foot had argued that the right-wing proposal that the election of the leader should be by all members of the party on the principle of "one member, one vote" would conflict with the responsibilities of MPs and would amount to the usurping of their parliamentary rights.

"Nonsense", Dr Owen said. If there was to be a change in the method, delegates have to consider whether they could trust their members of Parliament. The present system had served the party well in the past, and it had given the party Mr Foot as leader this year.

He thought that was the best way, but if there had to be a change it had to be democratic in character, and that could best be achieved by a postal ballot of all members.

The electoral college which Mr Foot is proposing, in which he wants 50 per cent for the

members of Parliament, would still allow the trade union block vote to override the rights of the MPs.

When Mr Foot met members of the Manifesto Group of Labour MPs on Wednesday, he said he would not commit the Labour Party to withdrawing from the EEC and would not give a British nuclear deterrent.

Dr Owen was asked whether the compromises now being put forward by Mr Foot would influence him and his friends as they considered whether to leave the party.

Dr Owen replied: "No, because I do not think they add up to anything concrete and specific, and I am extremely sceptical whether he could 'deliver' even if he wants to 'deliver'."

It was put to Dr Owen that Mr Foot had claimed it was wrong for Dr Owen and his friends to say that the trade union block vote would be influenced by communists.

Dr Owen said: "There is no way in which even the sensible moderate trade unions can separate from their political left-wings those who are members of other political parties."

After the conference he would consider with others whether they should work to realize British politics. He would remain a member of the party while he discussed it. He hoped something might be arranged which would make it unnecessary for him to leave the party.

Can Mr Foot be an election winner? page 12

Seamen's attitude hardens while other unions settle below 10%

By David Felton
Labour Reporter

As the seamen's dispute over rejection of a 12 per cent pay offer continued yesterday it became clear that workers in other industries were prepared to accept single figure increases being urged by the Government.

The General and Municipal Workers Union, whose members form most of the country's one million local authority manual workers, said they had been overruling acceptance of a 7.5 per cent pay offer made by local government employers.

The National Union of Public Employees and the Transport and General Workers' Union have still to announce the decision of their membership among local authority manual workers, but the 9.5 per cent offer by Ford management was formally accepted by the unions yesterday.

Under the deal, which was not recommended by union negotiators, the average pay of the company's 57,000 manual workers will rise to between £119.77 and £125.03 a week. There were increasing signs last night of bitterness and a hardening of attitudes in the seamen's dispute. The shipping employers claimed that decisions had been taken this

week to sell, scrap or transfer to foreign registration nine vessels as a result of the National Union of Seamen's industrial action.

The General Council of British Shipping said: "Following the rejection of the 10.5 per cent and 12 per cent offers, and with the seamen's strike, the companies have come to the conclusion that they cannot operate the ships economically in the United Kingdom." He declined to name the companies taking that action.

As the NUS stepped up its action against Townsend Thoresen yesterday, with the assistance of the dockers of the transport and General Workers' Union, the company wrote individually to its 400 employees in the United Kingdom offering them a 10 per cent pay increase.

The escalation of the action came after the company suspended 12 greenkeepers who had taken part in industrial action earlier in the week. They have been offered reinstatement provided they agree not to take any further industrial action.

Blacking of Townsend Thoresen by the NUS yesterday accepted the Viking IV, a freight ferry, from docking at Southampton. The ship, which was carrying 10 French and two British lorries from Le Havre,

made several attempts to dock but dockers refused to pick up ropes thrown ashore by the crew.

The ferry was ordered out of dock by port authorities and was understood to be sailing to Cherbourg late last night. NUS members are staging sit-ins on two of the company's passenger ferries, the Viking Venture and the Viking Valkyrie. The NUS said that all movements of Townsend Thoresen ferries in and out of Southampton and Portsmouth were blocked.

Sealink has suspended all sailings on the Fishguard-Rosslare and Holyhead-Dun Laoghaire routes because of the dispute and Scottish services operated by Calsonic. Mr. Brynne was also halted by a 24-hour strike by NUS members.

Mr. James Slater, NUS general secretary, is to meet Mr. Eric Nevin, his counterpart from the Merchant Navy and Airline Officers' Association, this morning to seek his support in the dispute.

The officers last week received a revised offer from the employers which would yield 10.5 per cent increases from January 1. A condition of acceptance was that the offer be made by the company's management, not by the NUS. An additional increase that would have been due from their original settlement date in November.

Prison officers' dispute hinges on court hearing

By David Nicholson-Lord

Industrial action by prison officers, called off by the men's union last week, may be resumed in the light of a High Court hearing today.

The executive of the Prison Officers' Association yesterday met to consider an injunction taken out against it by officers from Ashford remand centre, Surrey, who are contesting the legality of its decisions to call off the three-month dispute in the light of a revised offer from the Home Office.

Mr Colin Steel, the association's chairman, said: "If the High Court finds against us then the action is back on."

The executive was also deciding on calls for a ballot or a delegate meeting to consider the offer.

Mr Steel denied reports that up to thirty branches of the association were continuing with industrial action in defiance of the executive. Only five of the 127 branches were holding out, he said, and the rest of the service was examining the offer in detail.

The officers will get the equivalent of 7.5 per cent on their basic pay if they accept the deal. From now on, meal breaks are to be paid for as part of a 42-hour gross working week. There is to be a three-hour reduction in the net working week.

Prime Minister clashes with Mr Foot over jobless

By Hugh Noyes
Parliamentary Correspondent

Fears that next Tuesday's announcement of the latest unemployment figures will show a rise to more than 2,500,000 brought a bitter clash in the House of Commons yesterday between Mrs Margaret Thatcher and Mr Michael Foot, Leader of the Opposition.

Demanding a debate immediately after the announcement, Mr Foot said that the country would be faced with "appalling and unprecedented figures".

Recent statements showed that there would be further additions to the present terrible total.

But Mrs Thatcher had come to the House well prepared for Mr Foot's attack. While sharing the distress in the unemployment figures, she described the Opposition leader's emotional outburst as "synthetic anger over procedural matters".

There would be no special debate and the announcement would be made in the normal way.

She pointed out that Mr James Prior, Secretary of State for Employment, would be answering questions in the Commons on that day.

As backbench MPs on either side of the House joined in the fray, Mr Foot told the Prime Minister that she did not yet

understand that they were being faced every month by far worse unemployment figures than anything seen since the end of the war. When Mrs Thatcher went to take responsibility for all the afflictions she had brought on the country?

To Conservative cheers and shouts of "humbly", the Prime Minister told him that while he was Secretary of State for Employment, unemployment rose by more than 100 per cent.

When Mr Foot took over, unemployment was 518,413. In August, 1979, just after the general election, the figure had risen to 1,500,000. That, also, was distressing.

Mrs Thatcher added that she could understand his distress but not his synthetic anger over procedure.

What the country was wondering, Mr Foot retorted, was when Mrs Thatcher would show any sense of distress for what she had achieved. How much had unemployment increased since she took office?

Producing an impressive array of figures, the Prime Minister responded with the reminder that the unemployment position when the Conservatives took office was 1,340,000, almost twice as much as when Mr Foot became Secretary of State for Employment.

Parliamentary report, page 10

More open space planned for South Bank site

By John Young
Planning Reporter

New proposals for the redevelopment of the Coin Street site, on the South Bank, in London, were made public yesterday by Mr Richard Rogers, the architect for Greycoat London Estates, the would-be developers.

The plans have received the warm commendation of the Royal Fine Art Commission and Mr Rogers said he hoped agreement could be reached with the three local authorities concerned without another long public inquiry.

Although the plans follow a broadly similar pattern to those that were rejected last summer by Mr Michael Heseltine, Secretary of State for the Environment, steps have been taken to reduce what was then con-

sidered to be an unacceptable bulk. The density of the development has been reduced, from a plot ratio (the ratio of floor space to the total area of the site) of about three to one to about 2.5 to one. There would be more open space, and a series of parallel pedestrian streets would intersect the buildings.

The plans envisage a total of about 1,500,000 sq ft of buildings, of which nearly two thirds would be offices. The rest would include housing, small industrial units, shops, restaurants, a sheltered amphitheatre and various recreational facilities.

A prominent feature would be a covered walk through the centre of the development and would connect Waterloo station and the Shell Centre

with the riverside and, possibly, a new footbridge across the Thames.

Mr Rogers estimated the total cost at about £150m at today's prices. Interest in the office space has been expressed by several companies, including Citibank and Phillips Petroleum.

There might be scope for architectural competitions for specific parts of the site. But it had to be recognized that it was a metropolitan site, on which suburbia would be inappropriate, and that the developers were not prepared to be dictated to on the sort of premises they should offer their tenants.

Agreements could be reached fairly quickly with Southwark Council and the Greater London Council. If Lambeth's attitude proved a sticking point it was



The fire-damaged Tynan Abbey, co Armagh, yesterday after the terrorist attack in which Sir Norman Stronge and his son James were killed.

Bill calls for advance in integration of handicapped in schools

By Diana Geddes
Education Correspondent

An unexpected thrust towards the integration into ordinary schools of handicapped children and other pupils with special educational needs is made in the Government's Bill on special education, published yesterday.

The Bill also places a duty on local authorities to make suitable educational provision for children aged between two and five, as well as those of compulsory school age, who have special educational needs or who might develop them if nursery provision is not made. There is a similar duty to make provision for those aged between 16 and 19.

On integration, the Bill provides that a local authority must ensure that a child who has special educational needs is educated in an ordinary school, as opposed to a special school for the handicapped; and the school would be required to see

that the child is engaged in the normal activities of the school. However, local authorities would be required to take into account the wishes of parents, and the arrangements for the child's education would have to be compatible with providing "efficient" education both for the child concerned and for the children with whom he or she was educated, and also compatible with the "efficient use of resources".

Parents would have the right of appeal to a committee against a local authority's decision to allocate their child to a particular school, with a further right of appeal to the Secretary of State.

The Bill's provisions on integration would replace section 10 of the Education Act, 1976, which "requested" local authorities to arrange for the education of handicapped children in special schools, unless the schools had been approved for this purpose.

Local authorities would be required for the first time to seek the Secretary of State's approval before closing a mainstream special school.

That section has never been brought into force. New procedures for the identification of children with special needs are laid down in the Bill, which would require assessment to take into account medical, educational and psychological factors.

Local authorities would be empowered for the first time to make special educational provision for children with special needs under the age of two.

The Bill provides a wider definition of children with special needs, which is broadly in line with the recommendation of the Warnock committee on the education of handicapped children.

Local authorities would be prevented from placing children with special educational needs in independent schools unless the schools had been approved for this purpose.

Local authorities would be required for the first time to seek the Secretary of State's approval before closing a mainstream special school.

Guidelines on fraud condemned

By Our Social Services Correspondent

Reported new guidelines for social security fraud investigators were condemned last night by Mr Norman Buchan, Labour spokesman on social security, as a "monstrous invasion of freedoms and a sharp denial of natural justice".

Mr Buchan demanded in a letter to Mr Patrick Jenkin, Secretary of State for Social Services, that the guidelines should be withdrawn immediately if reports about them were accurate. If those reports were untrue, Mr Buchan demanded an immediate denial.

Mr Buchan was responding to the publication in *New Society* of extracts from leaked documents amending the *Fraud Investigators' Guide*.

He said in his letter to Mr Jenkin that the new guidelines were in line with reports he was receiving increasingly from people whose benefits had been stopped without notice or warning.

He asked whether the new guidelines told officers that the main emphasis is on cost effectiveness "rather than on justice and equity for people receiving benefits, as reported."

Was it also true, Mr Buchan asked, that the criteria for not pursuing cases to prosecution included the low mentality of the claimant or because a court might be more sympathetic to the claimant because of his age or physical condition?

This seems a most extraordinary approach both towards social security and indeed to the application of justice itself," Mr Buchan wrote. "It is imperative that the existing guidelines should now be published so that they can properly be judged."

He gave an assurance that

Research council urged to reject lung centre cuts

By Pearce Wright
Science Editor

A call was made yesterday to the Medical Research Council to reject proposals to cut work at a research centre which specializes in lung diseases and illnesses caused by dust, fibres, aerosols and other contaminants in the atmosphere.

The dispute between the council and staff side, representing scientists, technicians and administrative employees of the Pneumoconiosis Unit at Llandough Hospital, Penarth, South Wales, is more far-reaching than a simple argument about reducing expenditure.

There have been cutbacks with a loss of about 20 staff. The objection is to proposals to transfer work from two of the unit's departments to some other unspecified group, and to halt the introduction of capital equipment essential to

investigations into suspected new sources of lung disease.

The proposed changes were considered at a council meeting yesterday and a decision has been promised in the next two weeks. But a delegation, including the Association of Scientific, Technical and Managerial Staffs, and the Civil and Public Services Association, presented memoranda to the council arguing that the suggested cuts were based on an inadequate review of the research unit.

The opposition is supported by the miners' and agricultural workers' unions, whose members have been helped greatly by the discoveries and clinical services provided at Llandough. The unit, which employs about eighty staff and spends about £1,250,000 a year, is an international leader in understanding and developing new treatments for lung diseases, mainly of occupational origin.

Spending targets to be set for local councils

By Christopher Warman
Local Government Correspondent

Local authorities are to be set spending targets for the coming year by the Government to make sure that they know whether they will be liable to penalties under the new block grant finance system.

Mr Michael Heseltine, Secretary of State for the Environment, met leaders of the local authority associations yesterday to discuss local expenditure in the light of the rate support grant and the fear that the Government may take back grant later in the year.

Some councils, including Kent County Council, have included in their budget provision for a loss of grant, and that means a higher rate increase. Mr Heseltine was keen to emphasize that that was not necessary.

He gave an assurance that

councils which achieved the targets set by the Government, a reduction of spending by 5.6 per cent compared with 1978-79, would not be subject to penalties.

That led to a protest from the Association of Metropolitan Authorities that he had changed the rules. Mr Jack Smart, chairman of the AMA, said they had appealed to Mr Heseltine not to take any action before it was known what the spending total was going to be.

One of local government's main concerns is that the targets to be set are not the same as the grant-related expenditure assessments which provide the base of the rate support grant.

Mr Heseltine explained after the meeting that the block grant, using the assessment, is simply the method of distributing the grant and is not the target.

In brief

Quick decisions on BR unlikely

There will be no instant decisions on more government help for the railways at next week's meeting between the rail unions, the railways board and Mr Norman Fowler, Secretary of State for Transport, the Department of Transport indicated last night.

Mr Fowler welcomed a meeting with the Rail Council and would be interested to hear the board's and the unions' views on implementing productivity proposals in the recent corporate plan, he said.

Seven detectives face 26 drug charges

A total of 26 charges involving drug offences against six detectives from Humberside and one from Greater Manchester were adjourned until May 11 by Hull magistrates yesterday. None of the accused appeared in court.

Almshouses decision

A decision over the action to be taken about the demolition of seventeenth-century almshouses in Denton, in Lincolnshire, was deferred until February 13 at a meeting yesterday of the South Kesteven District Council.

Clamp-down on drivers

The Greater London Council is to ask Parliament for an amendment to the Transport Bill which would give it power to fit wheel clamps to illegally parked vehicles as "a positive deterrent to parking violations".

Warship launched

A bottle of English wine from the Beaulieu vineyard was used yesterday to launch HMS *Devastator*, the third of the Hunt class, plastic-built, mine counter-measure vessels, at Vospers Thorncroft's yard in Southampton.

Mr Bosanquet recovers

Mr Reginald Bosanquet, the former television newsreader, left hospital in Glasgow yesterday after treatment for an epileptic seizure. He said he had been suffering from the disorder for about six years.

Tube travel survey

More than 500,000 London Transport passengers will take part during the next three months in the biggest Underground travel survey for a decade. It will help in planning the Tube network for the 1980s.

Nationality Bill protest

The Board of Deputies of British Jews has called on the Government to withdraw the Nationality Bill for further consideration because it discriminates against naturalized British citizens.

Crash pilot named

The pilot who was killed when his light aircraft crashed in mist in a field near Hull on Wednesday was named yesterday as Captain Brian Leck, aged 45, of Bessacarr, Doncaster.

Mental care inquiry


Lord Longford is proposing to set up another of his independent committees of inquiry, this time into aftercare for former patients of mental hospitals.

Armed raider gets £700

An armed man held up staff at the Woolwich Building Society office in Fleet Street, London, yesterday and escaped with £700.

Buchanan's

The Scotch of a lifetime



Government is defeated in committee on fish Bill

By Our Parliamentary Staff

The Government was defeated by a single vote in a Commons standing committee yesterday on an amendment which would have halved the Sea Fish Industry Authority to be set up under the Bill.

Two Conservative MPs declined to vote against the official Opposition amendment to the Fisheries Bill, which was designed to open up the question of the size of the authority.

Mr Alick Buchanan-Smith, Minister of State for Agriculture, Fisheries and Food, told the committee that ministers had not decided whether any members of the authority would be full-time. The Government intends that there should be eight members from the in-

dustry and four independent members.

In the situation created by the Opposition's success yesterday, the Government will be willing to consider any fresh representations about the size and nature of the authority. But unless they change their intentions, it is likely that ministers will ask the Commons to reverse yesterday's defeat.

The amendment had occupied the committee for the whole of Tuesday's sitting when Mr Gavin Strang, Opposition spokesman on fisheries (Edinburgh, East), in moving it said that the new authority would be more effective and could act more cohesively if it consisted of people who were more independent of the industry, adjourned.

WEST EUROPE



Parisians climbing outside the third floor of this building in Avenue George V to escape a fire yesterday. Five people were taken to hospital.

Ten are taken to court over Eurocrats' pay

From Michael Horanby
Brussels, Jan 22

EEC member governments are to be taken to the European Court of Justice for breaching a legal agreement governing the pay of employees of the European Commission and other Community institutions.

This action was decided upon by the Commission as its 8,500 multi-national employees staged a one-day strike in protest at the treatment they received earlier this week at the hands of EEC foreign ministers. The strike disrupted much Community business.

The Commission staff were joined in their protest by the 620 employees of the Court of Justice and the economic and social committee. Tomorrow the 1,500 staff of the European Parliament's Secretariat are expected to come out.

Across the road from the commission, the 1,500 staff of the Council of Ministers' own secretariat have been staging one-hour stoppages each morning and afternoon since January 12 because of the pay dispute and are threatening to extend their action.

The immediate cause of the protest was this week's unilateral decision of foreign ministers to scrap an agreed procedure in force since 1976 for calculating annual salary increases. This took account of changes in the local cost of living and the purchasing power of national civil servants over the previous 12 months.

On this basis the Commission proposed a 3.3 per cent increase. This was made up of 3.1 per cent for the cost of

living and a further 0.2 per cent which is estimated to be the average increase in the real income of national civil servants (a figure said to have been boosted by an 8 per cent rise in Britain).

The foreign ministers instead offered all EEC employees a flat-rate increase of 1,030 Belgian francs a month (about £13). This works out as an increase of a little over 2 per cent for the lowest paid, but much less for those on higher salaries.

Herr Klaus von Dohnanyi, the deputy West German Foreign Minister whose government is taking a particularly tough line in the dispute, is reported to have said that it was "impossible to justify a situation where middle-ranking officials in Brussels can earn more than the Chancellor."

This is a sentiment that will strike a populist chord in many member states where the image of the Eurocrat as an over-paid idler living it up at the taxpayer's expense is well established. The strike organisers in Brussels are not unaware of the difficulty of winning sympathy.

EEC employees are certainly well paid by most national standards. Basic salaries range up to £6,700 a year for doorkeepers to around £40,000 for heads of departments and more than £50,000 for Commissioners. Average post-tax pay for a bachelor employed by the Commission is about £12,000. All employees, however, get an "expatriation" allowance equal to 16 per cent of basic salary and additional allowances depending on the size of their families.

First woman joins French Immortals

From Charles Hargrove
Paris, Jan 22

The sky did not fall on his head when M. Jean D'Ormesson pronounced that unheard-of and prodigiously singular word "Madame" in the French Academy today.

He was welcoming, in the name of the "Immortals", Mme Marguerite Yourcenar, the first woman ever to sit among them in some 350 years.

Mme Yourcenar is the author of *Memoirs of Helen*, *L'Œuvre au Noir* and other works which he described as taking their place with *Le Cid* in "this fragile, precious, and immense edifice of French literature which it is our mission to defend and to adorn."

Though Madame Yourcenar had even been given French nationality by special presidential decree to enable her to sit in this "illustrious company" as it is sometimes called, she made no concessions to the traditional academic costume. She wore a simple, long black velvet skirt, a white blouse, with flowing sleeves and, over it, a long shawl.

The unique quality of the occasion left her quite unimpressed, and she seemed completely at ease in this traditionally misogynist institution. M. D'Ormesson, however, emphasized that it is not because you are a woman that you are here today, but because you are a great writer. To be a woman is still not sufficient to sit under the dome of the academy. But to be a woman is no longer enough to be prevented from sitting there.

OVERSEAS

Grim picture of maltreatment emerges from experiences of released American hostages

From Patricia Clough
Wiesbaden, Jan 22

Released American hostages were telling doctors and officials today how the Iranians kept them manacled to chairs for weeks, forced them to stand for long periods in the cold and kept them in solitary confinement for months on end.

Piece by piece, American teams at the United States Air Force hospital in Wiesbaden are putting together a complex picture of the way the 52 hostages were treated during their 444 days in captivity. It varied widely but was worse than hitherto imagined.

The released hostages who arrived here early yesterday after their 13-hour flight from Tehran, today began a systematic programme of medical examinations, talks and recreation in preparation for their return home.

They were eagerly using specially prepared video cassettes recounting world events during their captivity, watching television, reading newspapers and talking by telephone to their families.

Mr Jack Cannon, the deputy

State Department spokesman, said that first talks had shown that many of the hostages had been kept at some time or other in actual prisons or in cell-like conditions, often completely alone.

Some had suffered solitary confinement for more than 150 days. Others had been kept blindfolded or handcuffed, and there had been many cases of beatings. Hostages had been threatened with loaded pistols and rifles, and made to strip and lie on the floor.

Many were made to think on several occasions that they were about to be executed. Some were kept handcuffed to folding chairs for about 14 days. Others were forced to stand in their clothing for long periods in cold weather, including at night, he said.

Food had been poor and scarce. Some hostages had been kept on bread and water for periods of about two weeks, sometimes they had been warned up on powdered milk or a commissary food, while their captors had meat and vegetable.

Several tried to escape repeatedly and were severely pun-

ished for it, he said. Hostages developed methods, including tapping codes, to communicate with each other. Throughout their captivity they were kept in small groups or in isolation.

Some hostages apparently had been well treated but for others, Mr Cannon said, "the picture was very grim."

It was not yet possible to say whether there had been any attempts at brainwashing or indoctrination and it was too early to have a picture of the hostages' psychological condition.

Talking to the media for the first time, two of the hostages spoke of their delight at being safe again and of their feelings towards Iran.

Mr Gary Rosen, the former press officer at the embassy in Iran, told the NC network: "I feel that Iran is an outcast country, and it deserves tremendous condemnation from the world for the treatment of American diplomats." He said he was an Iranian specialist and still loved the Iranian people.

Mr Rosen and his companions were wearing Air

Force anoraks they had been given against the chill Iranian winter. He looked tired and appeared to have trouble expressing himself.

He said he was feeling better after a good night's sleep, "but it is amazing what stress can do to an individual under conditions that were just too difficult to bear up with, sometimes."

The former hostages have agreed not to talk to the press about their experiences for the moment. Mr Bruce German, formerly of the embassy's administration section, said that each hostage had his individual story. "A lot of hostages went through really difficult times."

He said he personally felt that the agreement between the United States and Iran should be looked at.

Mr Rosen said he found it difficult to understand the decision to let the late Shah enter the United States for medical treatment but after their meeting with Mr Jimmy Carter last night, he "did not want to go over that ground again." He added: "I think he did the best he could."

Carter build-up in Gulf comes under Soviet fire

From Michael Binyon
Moscow, Jan 22

The Russians today accused former President Carter of playing with the fate of the hostages as an excuse to build up American forces in the Gulf. They said the hostages could have been released long before the American military and the legal demands of the Iranian people.

Soviet press coverage of the hostages' release struck a particularly sour note today, dismissing reports of their ill-treatment as a hullabaloo, accusing the Americans of spreading hysteria, and suggesting that the hostages were irrelevant to the crisis between Washington and Tehran which was the result of American policy in the Gulf and would go on.

Yevdya report from New York said the western press media, "playing on patriotic sentiments and sympathies for the hostages, are now busy creating a political halo around Carter and his associates."

But Mr Carter's real aims had been to use the events in Iran and Afghanistan to declare the Gulf an area of vital importance to American interests.

Pravda said. Under the cover of artificial concern for the security of the oil fields, the United States had concentrated dozens of ships in the region and prepared for the use of troops there.

Russians appear to have realized that their unimpaired support for Iran during the hostage crisis had the effect of increasing American military strength in the region, which could now threaten Soviet interests. Moscow has been alarmed by American statements that this force will not be withdrawn.

It is understood that a number of senior Soviet advisers regarded Soviet encouragement of Iran as short-sighted and unlikely to pay off, but were overruled.

As part of their so far fruitless attempt to be seen in Tehran as a firm ally, the Russians today gave another warning that the Americans were mounting a new campaign against Iran. They moved swiftly to suggest that the Reagan Administration was about to renege on the Algiers agreement, and that American financial circles were trying to block the return of Iran's wealth.

US clears Somalia arms deal and gains port use

From Charles Harrison
Nairobi, Jan 22

Somali Government leaders have been informed that the last obstacles have been cleared for the provision of the military aid promised last year by the United States in return for the use of facilities at Mogadishu and Berbera by United States forces operating in the Indian Ocean.

Clearance of the \$40m (£16.6m) military aid package was apparently one of the last acts of the Carter Administration.

The deal had been held up since last August, after protests from Ethiopia and Kenya, which both object to any further arming of Somalia on the ground that this would encourage Somali aggression against

Kenya. The military aid is additional to \$127m American economic aid to Somalia. The United States has insisted that it should be limited to defensive weapons and equipment in deference to the Ethiopian and Kenyan views.

This includes lorries, anti-aircraft guns and radar equipment. The United States says it will not provide equipment

which can be used for offensive purposes, but accepts that the result will be to enhance the effectiveness of the Somali armed forces at a time when tension is increasing in the Horn of Africa.

The Soviet Union is providing substantial military support to Ethiopia, and the build-up of American aid to Somalia (which is likely to accelerate under the Reagan Administration) raises fears of a new confrontation.

The American helicopter carrier Tarawa, carrying 2,800 staff on board, including 1,800 Marines, is in the Kenyan port of Mombasa for a routine visit which emphasizes the substantial American military presence in the Indian Ocean and Gulf areas and the importance of Kenya's agreement to provide supply and other facilities.

The force on board the Tarawa has six British Harrier jump jet aircraft.

The Kenya Government says it is not providing a naval base for the United States—only the same supply facilities that are available to other friendly states. But there is no doubt of the importance of the Mombasa facilities to the United States.

Britain ready to meet the Iranians half way

By David Spenser
Diplomatic Correspondent

After the release of the American hostages, the British Government is seeking a return to friendly relations with Iran, it was emphasized yesterday. Despite the concern for the four British detainees, it is no part of British policy to adopt a "threatening attitude."

In a Commons written reply yesterday, Mr Douglas Hurd, Minister of State at the Foreign Office, said Britain wished to "build a good relationship with Iran in the future."

Release of the detainees would open the way for this. Lord Carrington, the Foreign Secretary, is hoping that in the improved atmosphere of European relations with Iran, signified by the lifting of economic sanctions, the Iranian authorities will now move to release the four Britons.

Diplomatic pressures will be continued wherever possible, as was seen in the meeting at the Foreign Office with the Iranian Ambassador in London earlier this week, and in the renewed contacts which the British interests section at the Swedish Embassy is undertaking in Tehran.

One of the underlying difficulties of the situation in Iran is so fragmented that it takes a long time for decisions to be taken—even though in the case of the four detainees the Archbishop of Canterbury's special envoy was assured that the situation was being reviewed. The Archbishop of Canterbury's quiet and steady pressure to secure the release of the British detainees, three of whom are Anglican missionaries, may lead to another visit to Tehran by Mr Henry Watkinson, who is under consideration for a new post as Bishop of Exeter.

Mr Watkinson has asked the Iranian Embassy in London for another visa, which it is understood is still being considered. He is a member of the Anglican community in Iran, and has been in Iran for several years.

After his return from his last visit, it was expected that the missionaries would be released soon. Mr Watkinson's second visit would appear to be designed to discover why these expectations have not yet produced results.

Alleged leaders of Red Brigades jailed

From Our Correspondent
Rome, Jan 22

A Turin court today sentenced two alleged leaders of the Red Brigades, Signorina Nadia Ponti, aged 31, and Signor Vincenzo Guaglianone, aged 32, to seven years' imprisonment for illegal possession of arms. Both were carrying pistols when arrested in a Turin bar on December 21.

The prosecution said that, according to information supplied by a terrorist now in jail, the two accused led the "column" or unit, in the Veneto.

During the defence pleas, the proceedings were briefly interrupted when Signor Guaglianone shouted to the defence counsel who had been assigned to him to shut up, otherwise he would risk being beaten up. He did not want to be defended by someone who was an "agent of the counter-revolution."

When the lawyers resumed, the two accused left the courtroom, as is their right under Italian law.

M Giscard opens talks in Rome

Rome, Jan 22.—President Giscard d'Estaing of France arrived here tonight by air on a two-day visit for talks with the Italian Government and an audience of the Pope.

After a working dinner tonight with Signor Arnaldo Forlani, the Prime Minister, the two will continue tomorrow their analysis of the international outlook as affected by the new United States administration.

Spanish industrialists issue terms for EEC entry

From Richard Wigg
Madrid, Jan 22

The Spanish Confederation of Employers' Organizations was publicly rebuked today by Señor Eduardo Punset Casals, Minister for relations with the EEC, over what he regards as an attempt to dictate "protectionist" safeguards for Spain's entry to the Community.

On Sunday, Señor Punset will travel to Brussels, accompanied by Señor Ignacio Bayon, the Industry Minister, for talks with M. Gaston Thorn, the President of the EEC Commission.

The purpose of the visit is to find out how Spain's entry negotiations are proceeding in light of the delays caused by the EEC's problems with its agricultural and budget policies.

Señor Punset, a convinced European, is anxious to avoid politically damaging delays over Spain's entry, whereas Spanish industrialists, with whom the minister exchanged sharp words last month, do not want negotiations to be hurried. They have just completed a detailed study of what EEC entry would mean for them.

In a policy paper, the contents of which have been leaked to the press, the employers' confederation, the Spanish equivalent of the CBI, seems to want to insulate itself by a series of safeguard clauses.

Señor Punset told the confederation that it was up to the Government to decide upon Spain's negotiations with the EEC. The industrialists, many of whom prospered behind the high tariff walls during the Franco regime, are demanding to be allowed to protect themselves against any changes.

caused by EEC entry, which could damage their businesses. According to the working paper, Spain should align its tariff arrangements with the EEC, but for a period which should not be less than 10 years.

The industrialists want free movement of Spanish labour to other EEC countries to be synchronized with the free movement of capital. Spain from the rest of the EEC. They also want to hold back the introduction of value-added tax.

Today's *Cinco Dias*, the Madrid financial daily, has criticized the industrialists' stand. The paper urges the government, however, to provide Spain with a comprehensive factual study of the expected consequences of EEC entry.

This would enable the public to be able to judge not only the industrialists' demands, but also whether the Government was insisting on EEC entry as a means to divert attention from home affairs.

The industrialists' stand comes just as the country's agricultural interests have been carefully scrutinized by a delegation from the EEC Economic and Social Advisory Committee.

The roles are reversed here, with the EEC representatives expressing concern about the impact that Spanish entry will have on other states.

Señor Jaime Lamo Espinosa, the Agriculture Minister, however, emphasized that the natural disadvantages that Spanish agriculture faces. He compared the EEC criticism to Don Quixote "seeing giants where there were only windmills."

Bonn minister to seek W Berlin post

From Our Correspondent
Berlin, Jan 22

Herr Hans-Jochen Vogel resigned in Bonn as Federal Minister of Justice today following his nomination last night by a special party congress of the West Berlin Social Democrats as candidate for the post of Chief Burgomaster.

The Social Democrats' coalition partners, the Free Democrats, will decide tonight whether to support Herr Vogel in tomorrow's elections.

Last week Herr Dietrich Stobbe, the Social Democratic Chief Burgomaster, and all Social Democratic and Free Democratic senators resigned

Senate inquiry into torture reports

Continued from page 1

examine them for defects or to cancel them if the Iranians failed to live up to their provisions.

Capital Hill, there were some harsh words, too, for the Iranians. Mr Howard Baker, the Republican majority leader of the Senate, condemned the "brutality, barbarism and possibly even the atrocities" committed by Iran. He called for a full investigation by the Senate foreign relations committee into the treatment of the former hostages.

But, he said, the investigation should wait for a few days "until the wounds have had a chance to heal a little, until the passions have subsided." Otherwise the investigation might miss some of the other important aspects of the whole hostage crisis like the reasons for the original seizure of the American Embassy in Tehran.

As copies of the new agreements begin to filter out of the Washington bureaucracy for public scrutiny, all sorts of untested details are coming to light. Among the various controversial provisions to be implemented by the new Administration is a presidential order prohibiting any of the released hostages and their families from suing Iran for injuries resulting from their imprisonment.

Iran refuses to attend Islamic summit talks

Tehran, Jan 22.—Mr Behzad Nabavi, Iran's State Minister for Executive Affairs, today re-affirmed that his country would not take part in the Islamic Conference summit due to begin on Sunday in Saudi Arabia.

He said on Tehran radio that his Government was not attending a meeting which included President Saddam Hussein of Iraq.

Mr Habib Chahidi, the secretary general of the Islamic Conference said in Teheran, Iran, that he was flying to Tehran today at the head of a mission to try to persuade Iran to attend the Summit.

He would be accompanied by the foreign ministers of Turkey, Pakistan and Guinea. The meeting will be addressed by Kurt Waldheim, the United Nations Secretary-General, and King Khalid of Saudi Arabia, who is expected to launch a call for Islamic unity.

The Iranian Foreign Ministry has branded as "insulting" and "threatening" Soviet protests over the attack by Afghan exiles on the Soviet Embassy in Tehran on December 27.

Anger at barter scheme to enlarge Israel settlements

From Christopher Walker
Jerusalem, Jan 22

A political storm is growing in Israel over a report that the Government has been negotiating a deal with three private contracting companies in order to accelerate the expansion of the Jewish settlements in the occupied territories, before July's scheduled general election.

According to the report, first broadcast by Israel's state-controlled Hebrew radio, three Israeli firms were to be given state land in the centre of Jerusalem to build luxury flats in exchange for agreeing to construct permanent new houses in some of the settlements free of charge.

The report also claimed that the barter scheme had been discussed between Mr Ariel Sharon, the Agriculture Minister who has responsibility for expanding settlements and Mr Yigael Haritz, the former Finance Minister who resigned last week. Mr Haritz was one of the Cabinet's leading hawks before his resignation.

Tonight, the exact status of the controversial scheme was unclear. A spokesman for Israel's Housing Ministry denied any knowledge of it, claiming later to have been told by the Agriculture Ministry that it was only a "idea."

Two of the building companies named on the radio refused to confirm or deny the report when questioned by journalists. The disclosure came at a time when Mr Sharon has pledged to bolster the 85 existing settlements in a deliberate effort to sabotage any chance of their being dismantled or negotiated away by a future Labour Government. The opposition Labour Party has a much more flexible attitude to the West Bank and is committed to its election programme to attempting to achieve a territorial compromise with Jordan.

The report of the plan caused a furor among moderate Israeli politicians, many of whom are already deeply resentful of Mr Sharon's support for the extreme Jewish nationalist group, Gush Emunim (Block of the Faithful). Mr Mordechai Vershushsky, a leading member of the Shlnui Centre Party, tabled a Knesset motion calling for an urgent debate.

Mr Sharon's scheme was also strongly criticized by Mr Teddy Kollek, the Mayor of Jerusalem, who dismissed it as "incredible."

Already, in the past week, the Cabinet has approved the establishment of two new Jewish settlements in the West Bank. Permitted to another three—all situated near centres of dense Arab population—is expected to be granted by the Knesset's foreign affairs and defence committee next Monday.

Professor Yadin, the deputy Prime Minister, has opposed the three settlements, which he claims will serve no strategic purpose.

Museum honours Stern

From Moshe Brilliant
Tel Aviv, Jan 22

The building where British detectives 39 years ago shot and killed Abraham Stern, leader of the anti-British terrorist organization that bore his name, was taken over today by the Israel Government and is to become a museum honouring the organization, called the "fighters for the freedom of Israel."

At a brief ceremony, Mr Menachem Begin, in his capacity as Defence Minister, accepted title to the structure and described Stern as "one of the greatest freedom fighters in the annals of Israel."

Mr Yitzhak Shamir, now Foreign Minister, said the rooftop in shabby Tel Aviv area where Stern was trapped and killed had been most unsuitable for a hideout but Stern had no alternative because he had been isolated and housed not only by the British but by "his Jewish brethren on whose behalf he had fought."

Mr Shamir was one of the triumvirate which took over Stern's death.

Saudis urge US to abandon treaty

From Robert Fisk
Beirut, Jan 22

Scarred by twenty-four hours of Mr Reagan's presidential inauguration, the new American Administration has received its first advice from the Saudis—to abandon the Camp David peace treaty.

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Relations with the United States, he said, were based on "friendship, mutual interests and respect."

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many Arab nations, including Saudi Arabia, have adopted. "What a moderation achieved?" he asked. "Is this (the Israeli annexation of Arab territory) the West's understanding of a just peace? What ever happened to that illusive peace which they thought they had achieved in Camp David?"

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There is in fact unlikely to be any such collective policy, especially when two of the Arab leaders expected to attend the summit—President Hussein of Iraq and King Husain of Jordan—regard a third leader, President Assad of Syria, as a little more than a lackey of Iran.

But the Saudis, who generally prefer to react to outside events rather than to take the initiative, clearly regard their role now as more than just that of nominal guardians of Islam's holy places.

At one point in his newspaper article, the prince said that "a long and relentless jihad (holy war) is the only reply to the Zionist racist arrogance," and that all talk of peace had become "an illusion." But this expression of political struggle, than potential military conflict, a point which the Islamic summit is likely to emphasize.

The Saudis still believe that the most serious schism in Arab ranks—outside the mutual suspicion of Iraq, Jordan and Syria—is caused by Egypt's participation in Camp David.

In an obvious reference to Mr Sadat, the Prince suggested that the Egyptians could still repent their ways. He appealed to "those who continue to be on (Palestinian) autonomy, to take a brave position, to admit their failure and to abandon what has happened and what is happening now."

Saudi urge US to abandon treaty

From Robert Fisk
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If Jean is to have a roof over

OVERSEAS

Strikes sweep across Poland in support of work-free Saturdays

Warsaw, Jan 22.—Hundreds of thousands of Polish workers staged strikes across the country today in protest against Government refusal to compromise over the issue of work-free Saturdays.

Solidarity, the independent labour organization, said factory workers, bus drivers and office employees stopped work for between one and four hours in at least 10 cities. The strikes hit the Baltic seaport of Gdansk, the industrial city of Poznan, the copper-mining basin of Legnica, Cieszkowice, Kielce, Radom and other cities, according to Solidarity officials.

There were unconfirmed reports that farmers, campaigning for the right to set up their own Rural Solidarity, had tried to block roads with tractors near the strike-hit city of Bydgoszcz.

The strike wave, which was bigger than predicted, began after six hours of talks last night in which the Government and Solidarity negotiators failed to settle their differences over the number of work-free Saturdays.

The union delegation, led by Mr Lech Walesa, had offered Mr Jozef Piskorski, the Prime Minister, a compromise on the issue.

Solidarity said in a statement issued today that it had proposed at least one Saturday a month. The Government has ordered work on two Saturdays each month, despite promises to strikers last summer that it would introduce a five-day week.

"In proposing a compromise, Solidarity was seeking every possible way to solve the conflict," the union statement said. "By rejecting the proposals, the Government has taken upon itself the responsibility for the consequences."

Further strike action was planned in other cities tomorrow, including Warsaw, where some 40 factories and municipal

Rural Solidarity plots its peaceful revolution

From Timothy Garton Ash, Rzeszow, Poland, Jan 22

When workers occupied the Lenin shipyard in Gdansk last August, they had their bust of Lenin in their assembly hall. Lenin now stands with his face to the wall and a broken nose. Here in Rzeszow, peasants demanding the national registration of the rural counterparty to Solidarity, the workers' independent trade union organization, have replaced him with an altar.

Behind the altar the assembly hall of the former state trade union headquarters in this national centre of peasant radicalism is decorated with pictures of the Pope and the Black Madonna of Jasna Gora, papal and national flags, and a six foot cardboard copy of the Gdansk monument to the workers killed by police in December, 1970.

On this extraordinary stage a priest administers daily the sacrament to the 300 farmers and workers who have been occupying the hall since the beginning of the year.

"Be not downcast," the priest admonishes them. "The whole nation is behind you. The disturbance to the economy caused by your strike is nothing compared to the damage it has suffered under the Communists since 1945. Right will prevail."

At the side of the stage another priest hears the strikers' confessions even though there can be few in the confessional boxes.

The discipline of the farmers occupying the building is perfect. Alcohol is strictly forbidden. One lives by tea alone. Even the use of a swear word is punished by a 2 zloty fine.

Ample food—sausage, potatoes, home-made bread—is supplied by farmers from the surrounding countryside. An excellent public address system, the "strike radio" as it is called, broadcasts regular communiques from Solidarity branches all over Poland, news summaries, lectures about agricultural law in Sweden, and a strangely moving appeal to Mary, Queen of Poland—written and recited by a peasant.

Such is the security organized by the strike committee that a visitor's identity is checked five times between the entrance and



First Family: President Ronald Reagan and his wife Nancy pose for an official family portrait. From left standing are Geoffrey Davies, Dennis Revell, Michael Reagan, Cameron Reagan (grandson), Neil Reagan (brother), Richard Davis and Ron Reagan (son). Seated from left are: Ann Davis, Maureen Reagan (daughter), Colleen Reagan, Bess Reagan, Patricia Davis, Patti Davis (daughter) and Doria Reagan.

Tribal quarrel threat to Nigerian unity

By Karan Thapar, Lagos, Jan 22

In a virulent controversy springing from the tribal and ethnic divisions that have beset Nigeria since independence, President Shagari is under pressure to disown statements by one of his ministers who has publicly criticized the governor of Borno state for employing people of outside origin in sensitive judicial and cabinet posts.

Malam Adamu Giromu, the Minister of Industries, is reported to have referred to such people in a public speech as "strangers" and "foreigners" while mentioning such officials as the Borno state Chief Justice, the Attorney General and the Chief Secretary.

The minister is quoted as saying that it was improper for such non-Borno people to occupy high state offices.

This underlines how, despite attempts over a decade to weld more than 200 tribes into one Nigerian nation, the preservation of unity remains at the top of this country's concerns.

At the same time, the divisions are often evoked by the process of politics itself in Nigeria. The politicians in

Nigeria dissatisfied with Chad President's visit

From Our Correspondent, Lagos, Jan 22

The Nigerian Government is not satisfied with the outcome of last week's visit to Lagos by President Goukouni Oueddei of Chad. The Nigerians had hoped that his visit would endorse the communiqué of the Togo summit of the 13 African heads of state, calling for an immediate withdrawal of Libyan troops from Chad, an early election in April and, most important of all, for the proposed merger between Libya and Chad to be made null and void.

But President Oueddei, although giving a clear impression of wanting Nigerian help to strengthen his position against Libya, did not agree to the Nigerian terms.

Initially he balked at the proposal of a peacekeeping force comprising troops from Togo, Guinea, Benin and Congo to be sent to Chad. He asked for a port of call for the proposed force. However, President Shagari of Nigeria was not prepared to go into Chad alone. As a compromise, he suggested an African peacekeeping force including Nigeria, besides the other states.

President Shagari is said to have assured Mr Oueddei that

Aid agencies criticized for 'helping the occupier' Kite-flyer from Bangkok turns into the hawk against Vietnam

From David Watts, Bangkok, Jan 22

New diplomatic and commercial pressure should be put on Vietnam to force it to come to the conference table over Kampuchea, Squadron Leader Prasong, is occasionally employed in the role of kite-flying and of saying things that other Thai government figures cannot say.

A thin, intense, schoolmaster-like figure whose soft voice belies his hawkish reputation, he is, in part, expressing the continuing frustration that the Thai feel at the lack of effective solidarity among the countries opposed to Vietnam's involvement in Kampuchea in comparison with the apparent unity of the socialist countries of Indo-China and the Soviet Union.

Singapore's two-way trade with Hanoi in 1979 was modest at \$20.12 million, but as Singapore is the most vocal anti-communist state in the region the Squadron Leader plainly feels that, despite, however modest, trade with the Vietnamese can do nothing, Singapore knows the bad situation

Kampuchea frees Australian Buddhist nun

From Our Correspondent, Bangkok, Jan 22

The Kampuchean authorities in Phnom Penh yesterday released Miss Margaret McIlwraith, an Australian woman after holding her in custody for six weeks on a charge of illegally entering the country.

Miss McIlwraith, aged 29, who describes herself as a Buddhist nun, walked from Thailand into Kampuchea intending to contact Buddhist groups working for peace.

After representations from the Australian Government, officials in Phnom Penh said they would not proceed with the charge.

She was released into the custody of a diplomat from the Australian Embassy in Hanoi and was flown today to Bangkok where she boarded a flight for Sydney.

Seoul leader is first to get Reagan invitation

From Jacqueline Reditt, Seoul, Jan 22

President Ronald Reagan has invited President Chun Doo Hwan, of South Korea to visit Washington for talks on February 2.

President Chun, accompanied by his wife, will leave Seoul on January 26 for a nine-day visit of the United States.

The talks are intended to give the two presidents the opportunity to discuss political, economic, defence and security links between their countries, as well as other regional affairs relating to North-East Asia, according to the official announcement.

In addition, a Government source said, they seek to change the "inconvenient relations" between the two countries during the 1970s.

The South Korean President will be the first head of state to pay an official visit to President Reagan and the invitation extended just 26 hours after Mr Reagan's inauguration, will be interpreted as United States approval of Mr Chun's rise to power and support for him in the forthcoming presidential elections.

In his new policy statement, President Chun emphasized the need to develop "a mature and intimate partnership" between South Korea and the United States. Mr Reagan's invitation appears to be a token of his agreement and also seems to be a guarantee that the 39,000 American troops based in the country will not be reduced.

Relations between the two countries have been strained on several occasions during Mr Carter's term of office. While campaigning for the presidency, Mr Carter threatened to reduce the number of United States troops in South Korea.

Last May, when martial law was extended under President Chun's command, Washington expressed concern and when Mr Kim Dae-Jung, South Korea's leading dissident, was condemned to death, American criticism became vehement. At one point the United States Embassy in Seoul, disturbed by the fact that its Government's views were being censored from the local press, resorted to mailing newsletters to all Americans registered with the embassy.

The visit to Washington will enhance President Chun's prestige at home as he prepares for next month's presidential elections.

1978 'a year of regrets' for controversial Carter aide

From Arrigo Levi, Washington

After leaving the White House, Dr Zbigniew Brzezinski has begun a process of rethinking about past achievements and failures which will lead in due time to a book he will write just as Dr Henry Kissinger did, at the Georgetown University Center for Strategic Studies in Washington.

"Zbig," a highly articulate political thinker, an aggressive personality and a controversial figure in Washington (mostly due to his clashes with Mr Carter, the former Secretary of State) does not hide past disagreements, which may help to explain some of the failures of the Carter years.

Dr Brzezinski's main regrets probably concern 1978. Then, he says, after Soviet advisers and Cuban forces intervened in Ethiopia and there were pro-Soviet coups in South Yemen and Afghanistan, America should have done two things.

"It should have taken military steps in the area near Saudi Arabia (as it did in 1980 after the Soviet invasion of Afghanistan), but it should also have engaged the Soviet Union in discussions concerning the nature and rules of détente,

including a better definition of the principles of reciprocity and restraint."

Why was this not done? "I think," Dr Brzezinski explains, "for two reasons. One, the country was still shaken by the Vietnam war and was not ready to face the new power realities and the new power dilemmas."

"The second reason was that there was in the Administration a viewpoint that one had to protect the Salt 2 treaty, against a demand for 'linkage', and that bringing to a head the Ethiopian and other questions would have damaged the perspectives for Salt 2."

"My point of view at the time," Dr Brzezinski says, "was that linkage was a political fact and that if we did not react (to Soviet expansionist moves) the American public would have become disenchanted with Salt and with détente, while the Soviets would have become bolder within détente. I felt that, in order to create a condition of stability in Soviet-American relations, it was necessary to establish certain rules for reciprocal restraint."

"I said at the time: 'Let us push Russia's control, and let us at the same time react to

Amin police chief sentenced to death in Uganda

From Our Correspondent, Nairobi, Jan 22

A Ugandan High Court judge today sentenced Kassim Obura, who was Commissioner of Police during the Amin regime, to death for shooting a prisoner in Kampala in 1973.

The sentence was passed in a heavily-guarded court. Mr Obura was charged with the murder of a man who was a witness testified that the defendant had shot a man at the notorious Public Safety Unit Headquarters on the Kampala outskirts. Mr Obura is the first Amin official to be sentenced for such a crime.

Several other former Amin officials are in jail awaiting trial. They include Mr Bob Astles, a Briton who headed former President Amin's anti-smuggling unit.

Peking's Palace of Harmony and Peace reopens

Peking, Jan 22.—The Lama Temple, one of Peking's most precious monuments, was opened to reporters today in advance of its reopening to the public after 15 years.

Damaged during an earthquake in 1976, the temple is undergoing repair work expected to last until next year.

As with several other monuments recently renovated in China, the intensive use of garish paint partly spoils the beauty of the temple built in 1694 and known as the Palace of Harmony and Peace. Some pavilions have, however, been kept in their original state, including a room containing a 90ft statue of Buddha carved in a single trunk of sandalwood brought from Tibet—Agence France-Presse.

Party split may cause early poll in S Africa

From Nicholas Ashford, Johannesburg, Jan 22

The 1981 session of the South African Parliament begins in Cape Town tomorrow amid renewed speculation that Mr Pieter Botha, the Prime Minister, may call an early election.

A general election is not due to be held until late next year but several reasons are being given why Mr Botha may call one earlier. Most important is the fact that no less than 22 parliamentary by-elections and four provincial ones are due to be held shortly.

Such a large number of by-elections has been brought about by the transfer of a number of National Party MPs to the new President's Council and by last August's cabinet reshuffle. At present a number of prominent ministers, among them General Magnus Malan, Minister of Defence, Professor Gerrit Viljoen, Minister of National (white) Education and Dr Davie De Villiers, Minister of Industries and Commerce, are without parliamentary seats.

Another reason why Mr Botha may choose to hold an early poll is the continued in-fighting within his party between its verligte (liberal) supporters and the powerful right-wing (overkomp) faction led by Dr Andries Treurnicht, Minister of State Administration and party leader in the Transvaal.

A general election would, it is believed, have the effect of uniting the party behind Mr Botha and the inevitable National Party victory would be seen as a vote of confidence in his policies.

A third reason is Namibia (South-West Africa) where settlement moves have been stalled after the failure of the United Nations conference on the territory in Geneva earlier this month.

It is widely believed that South Africa will not make any further moves towards granting independence until Mr Botha has been turned to power and is in a stronger position to take on his own right-wing.

But whether Mr Botha decides to call an early election or not, there is no doubting that the forthcoming election will be one of the most important in post-war South African history as it will be a test of the Prime Minister's avowedly reformist intentions.

Mr Botha's verligte supporters argue that the Prime Minister's failure to introduce meaningful change as far as the country's "non-white" majority is concerned has been due to the stiff resistance to any reformist moves emanating from the powerful overkomp group in the National Party.

The verligte-verkomp confrontation—if there is to be one—is likely to occur over the Government's proposals for the nation's two million Coloureds (people of mixed race). "The Coloured issue," remarked one commentator today, "could split the party from top to bottom."

For some months now Mr Botha and his ministers have been dropping heavy hints that the Government intends to restore the vote to the Coloureds—a vote which was progressively taken away from them by earlier Nationalist Government. The move, for putting forward proposals on the Coloureds' franchise is to be the new, tri-racial President's Council which is due to start sitting on February 3.

At present the Coloureds have no political representation at all, the only representative council having been scrapped by the Government over a year ago. It is now being suggested, however, that Coloureds in the white be represented on a separate voters' roll.

Such a proposal would be dynamic as far as National Party right-wingers are concerned.

Apart from the Coloured question there are a number of other issues to come before Parliament which will test Mr Botha's true intentions and could pose a heavy strain on National Party unity.

Most observers agree that the real conflict this session will not be between government and opposition but within the National Party itself.

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PARLIAMENT, January 22, 1981

Clash between PM and Mr Foot over level of unemployment

House of Commons
If unemployment fell now as much as it did during the last 18 months of the Labour Government, the Prime Minister would claim it was the biggest miracle since the leaves and fishes, Mr Michael Foot, leader of the Opposition, said during exchanges with the Prime Minister about the unemployment figures to be published next Tuesday.

Mr Foot (Ebbw Vale, Lab) said: Mrs Thatcher should help us on a matter about which she is directly responsible. That is the unemployment figures which the Secretary of State for Employment (Mr Prior) has already announced are likely to be appalling.

We will be faced on Tuesday with appalling and unprecedented figures of unemployment. We see the recent announcements in Liverpool and elsewhere of further additions to that terrible total.

The Prime Minister should assure us of what we have asked for on a number of occasions, that a statement on this important matter will be made in the House of Commons and that the Government will provide an immediate opportunity for debate on this matter for which it is primarily responsible.

Mrs Margaret Thatcher (Barnet, Finchley, C) said: The statement on the unemployment figures will be made in the way it has been made year in and year out. As Mr Prior is top for questions on Tuesday.

Mr Foot: Mrs Thatcher does not yet understand that we are faced month by month by far worse unemployment figures than we have had since the end of the war. If Conservative MPs do not understand that, they show how little they understand what is happening.

When is Mrs Thatcher going to take responsibility for all the afflictions she has brought on the country?

Mrs Thatcher: While Mr Foot was Secretary of State for Employment, unemployment rose by more than 100 per cent. He at no time took the course he is now advocating. (Conservative cheers.)

Mr Foot: Before Mrs Thatcher returns to the House merely to

quote Conservative Central Office figures and understand that when we were in office we fought against those figures and were bringing them down.

If Mrs Thatcher could say she had brought down the unemployment figures to the figures we had when she was in office, she would say it was the biggest miracle since the leaves and the fishes.

Mr Thatcher is responsible for what is happening and it is high time she came to the House to face it. (Labour cheers.)

Mrs Thatcher: Sending a file to the House is not the way to face the unemployment figures. I will certainly accept his invitation to look at the figures. I took the precaution of bringing them with me to the House. (Conservative cheers.)

When Mr Foot took over as Secretary of State for Employment, unemployment was 618,413. By July 1976, the figure was 1,300,000. In August 1977, it was 1,635,000 and the following August was also at 1,600,000. The following August, it had fallen to just 1,500,000. They indeed went up during Mr Foot's time.

Unemployment rose by more than 100 per cent. That also was distressing. I understand his distress. What I do not understand is his synthetic anger over procedural matters. (Conservative cheers.)

Mr Foot: What we and the country wonder when Mrs Thatcher goes to show any sense of distress for what she has achieved. Since she has the figures she should say how much the increase in unemployment since she took office.

Mrs Thatcher: I also happen to have those figures. We took over an unemployment figure of 1,340,395, almost twice as much as the base figure Mr Foot took over.

When the December figures were 2,135,000, Mr Foot, Secretary of State, witnessed an unemployment increase by more than 100 per cent.

What he is asking now is a procedural point.

The unemployment figures will be announced in the way they have been announced for a long time. Mr Prior is answering questions on Tuesday for something like 45 minutes.

EEC plan to conserve fish welcomed

The Government was proposing an increase in the size of bass that could be caught from 25cms to 38cms. Mr Alec Buchanan-Smith, Minister of State for Agriculture, Fisheries and Food, said during exchanges on the conservation of fish stocks. He said that these proposals were to be discussed with the industry in a week or so's time.

Mr Peter Mills (West Devon, C) had asked the minister to look into the problem of the loss of Eddystone Rock where stocks were all being raped.

Mr Buchanan-Smith (Angus, North and Mearney, C) said the Government welcomed the proposals to set up an independent inspectorate to ensure that all member states enforced conservation measures in their waters.

Mr Mills: We can never relax in this area. Will the minister look again at what is happening in the South-West of England, particularly as regards mackerel stocks, where there is evidence of much smaller fish and much smaller catches?

Will he see what he can do to curb fishing in this area otherwise stocks will be gone?

Mr Buchanan-Smith: We can never relax our efforts on proper fish conservation. The Minister of State for Agriculture, Fisheries and Food, said during exchanges on the conservation of fish stocks. He said that these proposals were to be discussed with the industry in a week or so's time.

On mackerel, we have had licensing for some four years. These restrictions are based on scientific evidence. We also introduced for a considerable period of last year a large area of the South West where no fishing for mackerel could take place at all.

Mr Donald Stewart (Western Isles, Scot Nat): Why can we not complete about this? Illegal French fishing has been allowed to go on with impunity. And he is at present making agreements with alleged partners who have so little regard for conservation that they have cleaned up all their own stock.

Mr Buchanan-Smith: I am in no way complacent. He speaks of other countries not enforcing their regulations. I hope I can have his support in the negotiations in Europe on the proposals for proper supervision.

Mr Cranley Onslow (Woking, C): Will the Government use all its good offices to try and break the deadlock between the Canadian Minister of State for Agriculture, Fisheries and Food, and the American Government which is making it impossible to secure an agreement on a convention which is crucial to the conservation of salmon stocks. We have been talking to the American Government for a long time. Mr Buchanan-Smith: The proposed convention is important. If not vital, to the preservation and conservation of salmon stocks. We have been talking to the American Government for a long time. Mr Buchanan-Smith: The proposed convention is important. If not vital, to the preservation and conservation of salmon stocks. We have been talking to the American Government for a long time.

Mr James Johnson (Kingston upon Hull, West Lab): Since he accepts there are too many vessels catching too few fish, and since he is in favour of the licensing system, what chance does he think he has of persuading other EEC states to adopt such a system, particularly in the case of salmon stocks?

Mr Buchanan-Smith: Licensing is simply one tool of fisheries conservation. The important thing is to agree first on total allowable catches and then on the proper allocation between the countries concerned.

Mr Buchanan-Smith, answering further questions, said that only a settlement that was agreed internationally could be properly effective and could conserve fish stocks.

Mr Roy Mason, chief Opposition spokesman on agriculture, fisheries and food (Barnesley, Lab), said the proposals that have come from the Commission on the common fisheries policy have not been discussed by the industry or by this House.

As we are near the crunch either of success or a sell out, will he explain what are the minimum demands he will make on behalf of the United Kingdom fishing at next week's EEC Fisheries Council? It is time we had laid down before the House the minimum demands of the Government.

Mr Buchanan-Smith: The proposals and deal available at the last Fisheries Council in December, as far as the Government is concerned, are the best that can be achieved. (Mr George Younger) announced to the House, had the broad support of the representatives of the United Kingdom. Mr Mason cannot go on cavilling to the way he does; he appears not to want a settlement.

A further stimulus will be provided by the recently published Green Paper on the taxation of business and industry. It is expected to give rise to much public discussion.

Chapter 9 of the green paper discusses the question of whether the additional personal tax allowance (APA) for lone parents should be converted into a cash benefit. The Government is expected to give rise to much public discussion.

I shall keep the take-up of CB(1) under review. Any further initiatives, to publicize the benefits will be considered in the light of the response to the green paper discussion and of the subsequent decision as to whether or not to convert the APA into a cash benefit.

Competitiveness only road for the future

The vast majority of people in this country, the 50 per cent who were working, had an increase in real terms in their income last year of 4 per cent, Mrs Margaret Thatcher, the Prime Minister, said at a question time.

She was replying to Mr Michael Meacher (Oldham, West Lab) who said: Is the Prime Minister satisfied that in the last six months the Government, according to the Treasury, gave away £550m to the richest 1 per cent of the population; then in the last 13 months, according to the latest unemployment indicators, forced more than one million of the poorest members of society on to the dole queue?

It is a symbol of Tory rule that this Government has engineered the biggest increase in mean-tested poverty in this country in 12 months since 1932.

Mrs Thatcher: I understand the point but the task of the Leader of the Opposition is not to answer questions and I hope it never will be (laughter).

Sir William Clark (Croydon, South, C): If the nationalized industries over the past 12 months have been able to reduce the rate of inflation, would the Government be prepared to consider a rate of inflation of 10 per cent?

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Mrs Peter Jordan (Horsham and South Downs, C): Will Sir Peter Blyth (Hendon, C) say the Leader of the Opposition why it is that as Saturday approaches his statements regarding his own attitude towards the Government are getting more and more confused and confusing?

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England and other clearing banks over the course of the past few weeks?

It has taken Mrs Thatcher's Government to clear up the mess left by the last Tory Government headed by Mr Edward Heath to set the lifeboat into operation.

How does she explain to all those thousands of small firms being kicked to death by the Tory Government that they have to stand the test of market forces, while multi-national and others are rescued by her policy and the Bank of England?

Mrs Thatcher: I would have been critical had the banks not got together to do what they could.

Mr Norman Ashton (Haringey, Tottenham, Lab): Mrs Thatcher referred to those wage settlements notified to the CBI as being in single figures. She then went on to say for those workers who by the settlements to which she has referred have received a 10 per cent cut in their living standards.

the period of recovery and that necessary economies in public spending were achieved so that resources could increasingly be switched to productive industry.

Government funding most costly to the economy is the cost of the process of change and ease the position of unemployment, particularly youth unemployment.

Mrs Thatcher: He is correct. Many pay settlements in the private sector are not only in single figures, but well down and this augurs well for realism in future.

The determination of pay in the public sector is subject to cash limits and these are being fixed in accordance with what the Government feels that the taxpayer and ratepayer can afford.

That is the only way to do it. Mr Dennis Skinner (Bolsover, Lab): How does she regard the fact that the Government has accepted some of its recommendations, was because it failed to put its recommendations in the United Kingdom context?

Mrs Thatcher: I understand the point but the task of the Leader of the Opposition is not to answer questions and I hope it never will be (laughter).

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Sir William Clark (Croydon, South, C): If the nationalized industries over the past

Two Times political writers consider the issues in tomorrow's crucial Labour conference

Can Mr Foot be an election winner?

Geoffrey Smith

Is there such a thing as an un-electable leader of a political party these days? One might well ask in the week of Mr Reagan's inauguration. Through-out the primary campaign the principal argument of his Republican rivals was that if he was given the nomination he could not win the election. Yet look where he is now.

The same argument was used against Mrs Thatcher by her Conservative opponents before she won the Conservative leadership in 1975. Yet there she is in Downing Street preparing to meet Mr Reagan in the White House next month. Across the dispatch box at Westminster she faces another apparently un-electable leader in Mr Michael Foot. The difference in his case is that while he has secured the leadership of his party, he has yet to prove that he could win a general election. The fear that he could not was used against him by his critics in the leadership election, without success. But the fear is still there, and it is one factor among the many that have brought the Labour Party to the brink of a parting of the ways.

The doubts about him are shared by the electorate, to judge by the opinion polls. The

latest one, from Gallup in *The Daily Telegraph* yesterday, records a further fall in his approval rating. Although Labour remains comfortably in the lead, 135 per cent ahead of the Conservatives, only 26 per cent think Mr Foot is a good leader, while 42 per cent believe he is not.

His principal asset as leader is that he is well liked personally. It is interesting how many Labour MPs who voted against him seem now to have come to terms with his leadership. This is partly, no doubt, because of a political inactivity, respect for those with political power, not least the power of patronage. But it is also because his colleagues like him and recognize that he is, as one right-wing backbencher puts it, "doing everything" and can stick the party together.

What does "everything" amount to in this case? First, he has been rushing round making appeals for unity to all and sundry. In this week alone he has spoken to the Tribune group, the Labour First group and the Manifesto group. So he has covered the party's political spectrum as widely as he could.

Second, he has managed to provide some reassurance. At the meeting of

Labour First, a group of the centres inclined to right, where he received quite a warm ovation, he spoke of the shameful intolerance of the Militant tendency. He did not go on to propose that the group should be proscribed, but it is acknowledged by right-wing backbenchers that where he feels that parliamentary colleagues are being unfairly victimized in their constituencies he is prepared to put his prestige on the line to defend the right of dissent within the party. Not until the process of reselection has begun, though, will it be possible to judge how effective he is in that respect.

He is fighting for what he believes to be the maximum role for the parliamentary party in the electoral college for choosing the party leader, which will probably be set up at tomorrow's special conference. But as he believes this maximum role to be 50 per cent of the votes, and is prepared to concede a share to the trade union block vote as well as to the constituency parties, this is a far cry from the position

adopted earlier by the parliamentary party and would not by any means satisfy all of the right, even if it is accepted by the conference.

More important, he has made it clear that he is opposed to any change in the existing arrangements for drawing up the manifesto. In other words, an electoral college should not be given that responsibility, which should remain with the parliamentary leadership and the National Executive Committee.

Mr Foot also wants constituency parties to have the right to draw up a short list with only one name on it when reselecting their candidates. That interpretation of the rules would require only the agreement of the NEC, which Mr Foot is known to be hopeful of securing. It would go some way to protect sitting MPs who retain the confidence of their constituency parties. They need not then be forced to endure the hassle of a full reselection procedure with rival challenges for the nomination.

But while these questions of party organization are important, the electorate is particularly influenced by two other considerations: whether the leader has the necessary authority to run a government and whether the party has an attractive programme. Mr Foot inevitably lacks the special aura of authority possessed not only by a prime minister, but also by a defeated prime minister. Every party leader who takes over while the party is in opposition suffers the same handicap, until an election has been won.

Mr Foot's authority has also been blunted by his eagerness to compromise in the cause of unity. He needs the agreement of others, at least as much as they need his approval. The public impression of him may well be much influenced by what happens at Wembley tomorrow, but he does not seem so far from carrying the weight that falls on the NEC. Although he finds it easy to command the ear of the House, he has not yet developed the sharpness of attack that would be required to discomfort the Prime Minister in this twice-weekly contests with her at the dispatch box.

There are mixed views of

his performance in the Shadow Cabinet. Some of his colleagues believe that he has developed a greater sharpness after an uncertain start. Others believe that his touch is unsure; he certainly made a muddled job of constructing the Shadow Cabinet.

A degree of muddle is also evident in his handling of policy. On Monday he told the Tribune group that he was opposed to another referendum on British membership of the EEC. This would be a clear issue at the next election and a future Labour government would have sufficient authority to act. On Wednesday, at the Manifesto group he did not rule out another referendum. Although he has made it clear that he personally remains a unilateral nuclear disarmament and the party conference has voted for such a policy, he has given the impression that he is not pushing that line.

His promise at Newcastle last week of a "socialist transformation" will hardly have assured floating voters. But this indicates Mr Foot's difficulty as a torn between his personal preferences and the need to compromise—both, because of the views of others and because he knows the limitations of



Mr Foot: a greater sharpness?

government. This points to the critical distinction between him, on the one hand, and Mrs Thatcher and Mr Reagan on the other. Where they are regarded as extremists they are going further, or thought to be going further, than most people

would on the tide of current opinion. When Mr Foot voices more extreme sentiments he is swimming against the tide. That is what will make it more difficult for him to follow them to electoral triumph.

Fred Emery

...and how will he handle a breakaway?

The social democrats if they leap, will be determined to win some sort of victory

Special conferences rarely do political parties any good, and the Saturday spectacular being provided by the Labour Special Rules Revision Conference at the Wembley Conference Centre is unlikely to be an exception. Whether it will do less damage to the party and even change the face of British politics is not entirely predictable—but likely.

It is also no exception to the species in being an attempt to cobble together a compromise and simply have done with a reform that would have been better left to mature consideration and a regular annual conference. In this case it is a constitutional wrangle which, understandably, has obsessed those seeking power, but has driven many sections of the party to distraction.

Its effects may be profound. Yet to change the party's founding methods of electing its leaders, particularly some of the lesser lights, recognizes a change for power when they see one.

But power for what? It still looks odd politics to rush ahead when all the signs are that the party is in a state of social democratic breakdown, and that the party's serious and political wisdom.

The left reformers argue, with some justification, that the left is the only force that can bring about the social democratic breakthrough. Yet the party establishment sought to throttle. Never mind what it looks like and sounds like, they say, let's have no further delay.

But the fact is that the old party establishment has collapsed once Labour MPs under the old system elected Mr Michael Foot. With a leaving leader installed, the party could have settled down to find a plausible and democratic method of involving others besides MPs in the election of leader.

None of the reformers has been able, logically, to explain the rush. None of them has been able to explain why it is that at present both the left and the right are determined to establish registers of all party members in constituencies and unions, it would not be practical to do so with a little more time. That was a secret ballot of all members could have been produced.

But, of course, that was an embarrassment lies not least in the fiddled numbers of members affiliated by the unions and in the emasculated party membership lists. And, anyway, the National Executive Committee reformers, pushed or pulled

by Mr Anthony Wedgwood Benn, have all along made clear that the spoils in this new party democracy did not go to the activists, not to mere party members, but to the party's leaders, particularly some of the lesser lights, recognizes a change for power when they see one.

The most dramatic thing Mr Foot can do at the start and tell the delegates to think again, "remotely" the issue, and so home. He has been challenged to do so by Labour's dissidents. But it is all too late.

He could have confronted the left-dominated NEC, but that is not his way. He could have stuck by his original and constitutionally sound position that the party's exclusive right to elect its leader, but while still group leader he has said "depress" by accepting the idea of an electoral college, before he realized it was unwelcome.

That moment, came at the 14-day weekend last summer at Bishop Cleeve, that was meant to conclude the party's commission of inquiry. It ended in disagreement. The chaotic party conference at Blackpool only narrowly accepted the new rules, and, anyway, the party was the quirk of a mischievous reformer, pushed or pulled

could not agree on its voting make-up.

So how Mr Foot is left canvassing his own (and the NEC's) preferences, which Geoffrey Smith discusses above.

No one knows whether Mr Foot has got the votes lined up. The Leader has not yet even decided to speak up at the conference, while the still has a chance to influence support for his own preferences.

His own choice, according to party sources, is to speak at the end, after the vote had been taken. But it is possible this could change as Mr Foot assesses how his detailed campaign has gone this week.

Labour's gang of three, with perhaps a dozen MPs, in all, seem set to take a conference decision for a block-voting electoral college as the intolerable culmination in the process of derailing Labour as a democratic party. The dissidents say it is not just this issue, but the wild policies, not even mandatory reselection of MPs, but the whole sequence of policy decisions, that they can see few MPs as shuffling the party's MPs to the party apart.

Lightning might still strike. The conference could end in a deadlock, nothing decided. Mr Foot might be forced to resign because of ill health. But the likelier event now, especially after the harmony achieved between Mr Roy Jenkins and the gang of three is that the breakaway will be attempted.

There will be no such decisions, no rush one to take, and certainly nothing to damage the prospects of Labour councillors at the May local elections. Parties are not formed overnight, Dr Owen has said. But looking back to last summer, they have all been clearly moving steadily towards a break since the gang of three's open letter published in *The Guardian*. And things have moved more quickly than anyone thought.

Mr Foot, by agreeing, that such a move could be dangerous to Labour, without itself winning seats, seems to concede that Mrs Thatcher will be a benefactor in all this. But the social democrats, if they leap, will be determined to win some sort of victory. Provided they can get taken seriously and much will depend on the impression that the conference makes. At present, they will have a formidable launching pad.

Opus Dei: the ideals and the unseen influence

From time to time the harassed reader needs a break, something to give his weary eyes a rest and relieve the oppression caused by bitter, unfair and frankly slanderous accusations that now and then get into print.

In just such a state of mind, I found myself rereading Cardinal Luciani's last contribution to journalism. It was published in July, 1978. A month later its author became Pope John Paul I. His style is easy and flowing, but his words strike deeply. He had the rare journalistic gift of being able to put across information for readers of all levels after making sure of his facts and checking with reliable sources.

His article appeared in the *Corriere* of Venice with the title: Seeking God in everyday work. He was trying to give a spiritual profile of the founder of Opus Dei, whom he describes as "revolutionary", a "radical" who laid the foundation of a lay spirituality.

Cardinal Luciani writes: "Escrivá de Balaguer, with Gospel in hand, constantly taught that Christ does not want us just to be good, but wants us to be very good indeed. But he wants us to attain this goodness not through extraordinary actions, but rather with common everyday actions. It is in the way we do these actions which should be uncommon. Here, right in the middle of the street, in the office, in the factory, we can become saints, on condition that we carry out our duties competently, for the love of God, and cheerfully, in such a way that our daily work becomes, not a daily tragedy, but, one can almost say, a daily smile."

It is not easy to draw a simple outline of Opus Dei, an institution, made up for the most part of lay people, which was born within the Catholic Church just over 50 years ago and has since spread to every continent, with the blessing and encouragement of five Popes and the ecclesiastical hierarchy.

What draws praise from so many zealous pastors and ordinary members of the Church, however, sometimes eludes the understanding of some religious "sociologists". It would appear that Opus Dei does not fit in with their some-

what limited ideas of Church structures.

They cannot see that what Pope Paul VI described as "a sign of the perennial youthfulness of the Church" is just that: another manifestation of the movement of ecclesial self-renewal in the century of Vatican II.

When Mr Escrivá went to Rome in 1946 to request a papal approval of Opus Dei, he met with these words from a high official in the Vatican: "You gentlemen have come a century too soon." Events proved what a history Opus Dei has been. Nearly 40 years later one still finds oneself wondering if some people will indeed need another 60 years before they can finally understand Opus Dei.

The aims of Opus Dei were explained by its founder at times by its founder as a general movement of Catholics to serve the Church and all men. In his own words: "The only ambition of Opus Dei is to serve the Church as the Church wishes to be served, within the specific vocation that Our Lord has given us."

To achieve this end, what Opus Dei does is simply to offer all the men and women who come to it the spiritual help and theological training they need to put this ideal into practice. It is then up to each one on his or her own initiative and responsibility to act freely, like any other citizen; to strive to be a saint, like any other Catholic, and who strives to live in keeping with his faith, and respecting—and indeed seeking to understand—the different points of view and courses of action taken by their colleagues, friends, relatives, and so on. This is why Opus Dei does not act nor even could act as a group, either within the Church or in civil society.

Take the recent Italian earthquake for example. To my knowledge no press release mentioned the way Opus Dei helped those who suffered in the terrible disaster which devastated Southern Italy. And quite rightly so, even though many members of Opus Dei were helping there in a thousand different ways. The press did well to be silent, because those people were not present as members of Opus Dei—a meaningless title in the



context—but as doctors or nurses, as soldiers, workers and student volunteers.

There was no presence of Opus Dei, but its members were there—each in his or her own place—trying to carry out humanitarian work with a Christian spirit. And their spirit of Christian self-denial helped them to spend long hours each day on the job.

The same sort of thing happens every day in countless different environments. Wherever there are members of Opus Dei you will find them working, each in his or her own way, to build useful families, to foster vocations to the priesthood, to invite their friends to get close to God through prayer, to carry out works of human development and social welfare, to help people get on better with one another. Paul VI wrote in a handwritten letter of October 10, 1964 that he looked "with fatherly satisfaction upon everything which Opus Dei has done and continues to do for the Kingdom of God—the desire for good which guides it, the fervent love for the Church and for its visible Head which distinguishes it, the ardent zeal for souls which drives it to follow the arduous and difficult paths of the apostolate of presence and witness to the sectors of contemporary life."

In the article by Cardinal Luciani, the author recalls a significant anecdote: "In one of the audiences which he was granted by John XXIII, Mr Escrivá, the founder of Opus

Dei, was moved by the warmth and openness of Pope John to say to him: "Holy Father, in Opus Dei we have not learned our ecumenism from Your Holiness." John XXIII gave his smiling assent. Perhaps he was reminding that Opus Dei had already in 1950 obtained the Holy See's approval to admit non-Christians and even non-believers as its Cooperators. At that time, ecumenism was not an "in" word, and Mr Escrivá had to persevere with his request until the Vatican finally agreed.

With the Church's approval, the work which Opus Dei had until then been carrying out among Catholics was opened to all men of good will, overcoming barriers that had seemed insurmountable. "Christianity for the multitude" is what a Professor of Logic in the University of Münster (Germany) called it in a European newspaper.

In Britain, something similar could be said of the people of all and no religious beliefs who have cooperated and continue to do so in projects like National House, Hampstead. At the opening of its new buildings in 1966, one of the African students described the residence as: "A United Nations only more united."

The apostolate of the members is so diverse in its circumstance, time and approach, that the internal organization has necessarily to be very flexible. Its founder graphically described it as the creation of an "unorganized organization, which gives primary and fun-

"A lasting impression is of a humane and happy character who would have much in common with Sir Thomas More," wrote *The Times* on August 28, 1958, about the founder of Opus Dei, Monsignor Escrivá, who appears on the right praying in St Dunstan's, Canterbury, where the head of Opus Dei, Monsignor Escrivá, is buried. With him is Father Alvaro del Portillo, who in 1975 succeeded him as President General of Opus Dei.

damental importance to the spiritual growth of the individual, to his free and responsible initiative, guided by the action of the Spirit, and not to organizational structures, commands and tactics imposed from above. (Conversations with Mr Escrivá de Balaguer, no 19).

When asked by the *Ronde* correspondent of *Le Libre Belge* how he saw the future of Opus Dei, the present President General of Opus Dei replied: "The future of our organization is tied to our faithfulness to the spirit of our founder. True, the external structures are a valuable help, but they would collapse like sand if the members were to fail in their fidelity to the spirit of Opus Dei" (October 2, 1978, interview on the occasion of the 50th anniversary of Opus Dei).

This is a basic law governing all the institutions and movements which the Holy Spirit has inspired in the Church during the last twenty centuries: faithfulness by the followers to the spirit of the founder. That is why when Pope John Paul II wrote to the President General of Opus Dei he said: "I am well aware of the vast growth of the work created and afterwards directed for many years, with the help of God, by Mr Josemaría Escrivá de Balaguer, and I wish to give honour to the commitment to holiness and to the Gospel witness it irradiates, both through personal contacts, and through the structure of multiple initiatives of social promotion among the men of our times."

Let us, then, give ceaseless thanks to God, who never allows his Church to be without new initiatives for sanctifying and improving the life through the practice of one's ordinary professional work. I add, therefore, a special word of fatherly encouragement so that you may continue with spiritual joy in your own dedication to God and to the brethren in the light of a joyous and profound faithfulness to the Gospel, to the Second Vatican Council and to the dispositions of your venerable founder (Letter dated November 15, 1978).

John Horrigan
The author is Secretary of Netherhall House.

MOSCOW DIARY

Taking a chance on Soviet pop

Go into any Soviet restaurant and you are sure to hear most of the pop songs that have recently topped the charts in Britain and America. Ask any Russian youth and he will tell you which pop singers are doing well in the West, their latest numbers and any spicy gossip. Join any unusually long queue outside a record shop and you will find people waiting to get hold of Leo Sayer, Abba, Elton John or whoever has just had an album issued by Melodia, the Soviet record company.

Russian youth today is as much the pop generation as ever it is or was in the West. When John Lennon was murdered it was a shock to millions of young people here. The newspapers carried long articles about his life and influence, admirers begged foreigners for magazines that carried commemorative obituaries and young people gathered for several hours in a vigil outside Moscow University.

In spite of stuffy disapproval from the party elders, pop music has dropped itself into every section of Soviet society.

Loudspeakers pour out *Sealed with a Kiss* and other golden oldies as you skate along the frozen paths in Moscow's Gorki Park, a fashion show in the Union of Writers' Club is accompanied by the beat of Boney M. Even a planeload of foreign Muslim dignitaries on their way to a conference in Tashkent, are entertained, appropriately, by a tape of hard rock before take-off.

But foreigners who dance to western disco in the tourist hotels and grin at last year's hits coming from blocks of flats do not notice a more interesting phenomenon: the extraordinary dynamic development of Soviet pop music. Pop here has suddenly become something worth hearing, innovative, exciting, not over-commercialized, creating its own forms. Some groups can rival anything in the West in style and impact. Songwriters and singers have a following unprecedented in a country that discourages the build-up of showbiz personalities.

Pop music really began in a big way in the more progressive Baltic republics, and many of the best performers are still from Latvia and Estonia. You can hear all the latest Soviet and western hits on the flat radio in Estonia, whereas in Moscow you have to switch to

Radio Moscow's English service (which explains why taxi drivers, who know no word of English, have their radios permanently tuned to it).

In general pop is livelier in all the provinces, away from the political spotlight. Georgia has a yearly festival of music, the nearest equivalent to the open air rock concerts in the West, which sponsors new stars each year. An Armenian, Seta Namian, bearded like Marx and a grandson of Anastas Mikoyan, the former Soviet president, is a rising composer and group leader. The Ukraine, with a long folk music tradition, has produced strong singers, including Sophia Rotaru, number two in the latest "hit-parade" to use the Russian term (the Russians also talk about "rock-group" and the top 20).

Lyrical

Belorussia is the home of an early group. The Singers, based in Minsk. Much of their stuff is more lyrical and folk than rock, and they are now shipping down the charts. Their lead player, for 10 years, Alviska Bordkevich, has just left them to found a new group in Kiev called The Holybells.

A highly educated architect

and a great admirer of Einstein, Bordkevich is the antithesis of the tawdry and ephemeral figures in the West who seem nowadays more the creations of the record industry than the embodiment of talent. On tours with his new group he is accompanied by his diminutive wife, Olga Korbut, the Olympic gymnastics star.

In the Soviet pop scene a key role is played by the composer, in which the absence of a competitive recording industry, managers, promoters and all the hangers-on in the West, the composer has a lone struggle to find his singers, manage and promote them and cajole Melodia into risking a recording.

Without doubt the most talented around at present is a small, intense, Jewish composer, David Tukhmanov. After a string of successes in recent years his haunting *Forever* Melodia was chosen as the theme of the Olympics and was an instant hit. For this he was awarded the Friendship of Peoples Medal—rather like the Beatles getting the MBE. Most of Tukhmanov's songs are written for the top male singer, Valera Leontiev, a stylish performer with a sultry look, a western casualness and a mane of curly hair. His hit *There in*



September was constantly played on the radio. To me a far more interesting singer is Janna Bichevskaya, who has been described as the Soviet Joan Baez and has already achieved enormous success on a tour of West Germany. Like early Beat she

accompanies herself on the guitar and draws heavily on folk songs and ancient melodies, reinterpreting them in a crystal, lyrical voice. Some Russians are already being Bichevskaya's combination of modern idiom and deeply traditional themes: ballads of love and loss, friendship, childhood and mourning. But to a western ear she is magnificent and moving and expresses something deep from her harsh, almost Pin-fish childhood. She appeared on West German television during her tour and it said to have so delighted the Soviet Ambassador to Bonn that she was nightly wine and dined in his embassy.

Limelight

Soviet pop groups are never sure how much they can get away with. There is always an element of risk—censorship, official disapproval, change of programme, cancellation of facilities—and this adds a frisson to their best performances. Away from the limelight they can be very daring indeed: the top pop group at the moment, Time Machine, is fairly wary of wearing startling clothes, wears all the aggressive suggestiveness of western groups and can raise roars of applause down

in Odessa with cleverly sarcastic numbers about "how nice it is being a conscript, how good the food is, how I enjoy the duties and the drill". They have not yet been allowed to perform in Moscow or where foreigners are likely to see them.

A Moscow youth newspaper recently made a surprisingly perceptive comment about the group: "It is no secret that native rock music plays the role for youth which for older people is filled by literature, cinema, journalism. It is in rock music that many young people seek answers to questions troubling them. And Time Machine, with the almost missionary character of its lyrics, is a constant questioner of the lives of young men and women."

This, the paper said, puts a heavy responsibility on the group. After all, if you have a Soviet equivalent of the Beatles moulding a generation, it is important they say the right things.

Pop singers know this well. They buy the right to move into fields and styles that only a few years ago would have been considered scandalous. They demand, with heavy, piercing, songs of the "I Love You, Motherland" and "We're off

to build the new Siberian Railway" variety. Some are not bad, but most audiences want stronger stuff.

Limited

Soviet pop is still largely unofficial: groups are formed spontaneously in clubs and colleges—there are about 5,000 in Moscow alone—buskers, party chieftains, speakers are virtually impossible to obtain, performances are in factory halls or local palaces of culture, few pop composers are recognized by the Union of Composers, and releases are issued in tantalizingly limited quantities. If you're not in the shop half an hour after the latest from Leonid Yefremov or Pnuchov comes in, you've missed it.

That's Peter the Great's introduction of western art led to a profusion of Russian party songs, so western pop has spawned a remarkably vigorous counterpart here. Perhaps the Russian language, with its clearly marked stress in each word, is peculiarly suited to pop. The only pity is that this music is still too frowned on to be sent abroad, too new to be known and too banned to be given full reign.

Michael Binyon



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THE FUTURE OF THE TIMES

Mr Rupert Murdoch has been selected by the Thomson Organisation as the next proprietor of Times Newspapers and has given assurances on editorial independence which have satisfied the committee of independent national directors and the editors of *The Times* and *The Sunday Times*. That does not mean he automatically becomes the proprietor; the contract is conditional on successful union negotiations inside three weeks — a condition that can by no means be taken for granted — and his purchase could be referred to the Monopolies Commission, though there is a ministerial discretion in cases where papers are under imminent threat of closure.

How did Mr Murdoch emerge as the chosen proprietor? There were a number of tests which were applied to the various bidders and proposals, and he was in effect the only bidder who passed all of them. The first condition, laid down by Thomson's, was that preference would be given to bids for the whole company, as against bids for individual titles. The otherwise attractive consortiums, to include the journalists, that were formed envisaged breaking up the company and separating *The Times* and *The Sunday Times*. There is indeed a commercial argument for doing this. In the case of *The Times*, however, the consortium — though it did have the capacity and might even now still be needed to save the paper after a closure — could not have avoided a break in production. That reinforced the Thomson preference for a single bidder, and the staff too have a strong preference for unbroken publication.

The tests that single bidders had to face were financial competence, management capacity, the willingness to make a reasonable commercial offer, and finally and crucially, the willingness to guarantee the future editorial independence of the papers. The bidder also had to be free of other commitments (such, for instance, as extensive commitments in the Middle East, which might cut across fair reporting).

Mr Murdoch met all these qualifications. He has substantial resources; he is an international publisher who operates successfully in highly competitive markets; his offer was commercially acceptable to Thomson's; his interests outside publishing are

considerably smaller than those of the Thomson Organisation itself, and do not seem likely to be in any way embarrassing, and he was prepared, which another major bidder was not, to give satisfactory guarantees of editorial independence. Thus, from Thomson's point of view, he was the only satisfactory single bidder, and from *The Times*' editorial point of view, he offered the prospect of uninterrupted production and editorial safeguards.

There were four points that the committee on editorial safeguards wanted to establish. The first was a continued and strengthened system of independent national directors not only to supervise any future sale of the paper, but to protect the independence of the editors and to approve their appointment and dismissal. The second was to establish an agreed definition of editorial independence. The third was to agree that these safeguards should be formally conveyed to the Department of Trade, so that they would go on the public record, and the fourth was that *Times Newspapers* should be run separately from Mr Murdoch's other newspapers, while recognizing that he must be free to form efficient financial structures.

The agreements reached are reported on another page. They cover in detail the first three points, and there was also agreement on the principle of separate independence. The definition of editorial independence largely, though not entirely, follows a draft which was first put forward by the journalists of *The Times* (JOTT), and approved by a representative committee of *Times* journalists.

It places absolutely in the hands of the editor the publication of news, opinion and advertisements, the political policy of the paper, the use of resources in the budget for editorial space and expenditure, and the appointment of staff. It reinforces these rights by the protection of the system of independent national directors, without whose consent the editor cannot be appointed or removed. These safeguards go considerably further than the assurances given in 1922 or the Thomson safeguards of 1966, but they build on the success of both. This system of assurances was not won from a reluctant Mr Murdoch, but volunteered or readily agreed, by him.

THE UNITED STATES IS PLEDGED

Anger rises in the United States as its people learn of the maltreatment to which their diplomats were subjected in Iran. The new Administration will feel the pressure of this anger. With it will come demands that the authorities do not perform those parts of the agreement securing the hostages' release which have not yet been performed. After hints to the contrary there are new assurances from the State Department that the obligations under the agreement will be carried out.

The agreement was extorted by the Government of Iran from the Government of the United States under duress. The duress arose from an illegal, an uncivilized act: the seizure and holding of hostages of the staff of the American Embassy in Tehran. Under principles of ordinary law that would be enough to vitiate the agreement and absolve the United States from its performance. In international law different principles apply.

It used to be a rule of international law that conditions imposed on one state by another were not voided by coercion or duress. Force was recognized as ultimate arbiter in these matters. That has been changed to the extent that an international agreement is void if it has been procured by force in violation of the principles of international law embodied in the Charter of the United Nations. The new principle is written into the Vienna Convention on the Law of Treaties 1969. The proper treatment of diplomats and taking of foreigners hostage, however, do not form part of the subject matter of the United Nations Charter.

Morally the United States would surely be entitled to repudiate an agreement extorted by these means. But not, it seems, in international law. But

apart from that consideration, there are compelling reasons why the new Administration should not go back on any part of the agreement.

The agreement was signed, with the mediation of Algeria, by the Deputy Secretary of State, Mr Warren Christopher, in the full knowledge of the President, Mr Carter. The United States under that agreement granted Iran terms that Iran's conduct did not entitle it to be granted. But the word of the United States was pledged. It would not be a nation of the greatest if it broke a matter of policy by a new President.

Slowly but surely relations must be rebuilt between the United States and Iran. Iran occupies a crucial place in a region which is of high importance to the United States and the West as a whole. The process of repair would meet a further serious obstruction if the United States Government were to decide that there were articles in the agreement it would not carry out. The accusation of bad faith would be instant and plausible. The rhetoric would be resuscitated. Some at least of the other peoples in the world who are predisposed to detect bad faith in America's conduct would join in the hue and cry — forgetting, as they would find it only too easy to do, the provocation to which the United States has been subjected.

To say that the provisions of the agreement ought to be fulfilled by the new Administration is not to say that they can be. Nonperformance as a matter of policy is one thing; nonperformance because some part of the agreement is struck down by the courts of the United States as ultra vires or repugnant to the

constitution is another thing. That would be no reproach to the Administration. Nor should it be any surprise to the Iranians who had explained to them, and had some difficulty in understanding, the less than automatic powers of an American President. Three-quarters of the previously frozen Iranian assets are by now beyond the control of the United States authorities. But there remain several areas of the agreement where the equality of executive orders issued or to be issued might be challenged. One area is the transfer of Iranian funds attached by the courts on account of claims to compensation from Iran. Another area is the extinction by executive order of the right of American companies and persons, including the hostages themselves, to sue for damages against Iran in the courts, and the transfer of all such claims to international arbitration. Another area of the agreement which might be open to challenge concerns the late Shah's wealth. It was agreed that the United States Government would order its citizens to report to the Treasury for transmission to Iran any information in their possession about the property of the Shah and his family.

These may or may not be valid exercises of executive power. That is for the courts of the United States to determine. But they formed part of the agreement signed on January 19. As the new Administration recognizes it has to proceed in accordance with the provisions of that agreement, it is difficult to see that it may be, if necessary in the face of popular demands to the contrary. Only if its orders were struck down by the courts would the administration be released from that obligation.

It is not, however, at all the relationship with the proprietor which has threatened the independence of *The Times*, but the relationship with the trade unions which has threatened our survival. It was the breakdown of that relationship which led to the withdrawal of the Thomsons who, from the editorial point of view, were excellent proprietors, generous, straightforward and absolutely correct. There has been an extraordinary sense of dissociation about the editorial process on *The Times* in recent years, as we covered the news, the news covered us; it has been like playing chess in a hurricane, as the King castles, the roof lifts off.

The question in the front of many journalists' minds is whether Mr Murdoch can deal with that. The first test will be his negotiations with unions before the contract is completed; if those negotiations do not succeed, the contract will not be completed and the paper will almost inevitably shut, at least for a time. If those negotiations do succeed, he will still face very difficult problems of commercial and industrial management.

What can be said is that Mr Murdoch must have the best chance of success of any of the single bidders for the company. He is, beyond question, the most successful Fleet Street publisher of the last fifteen years, and he has wide international experience. His existing British business is by no means free of the Fleet Street problems, but has come through them better than any other. He has a reputation for toughness, and no doubt there will be occasions in the future when that toughness will be turned on some of the practices of *The Times*, perhaps uncomfortably. But after the experience of recent years, it is clear that only a very effective and tough publisher can survive in Fleet Street, or make his titles survive. There is still a question whether *The Times* can be made to prosper as a Fleet Street paper on Fleet Street costs. We certainly do not want to live off the future profits of *The Sunday Times*; subsidization is always a rotten foundation for any newspaper. If Mr Murdoch can make *The Times* a commercially viable newspaper, he will have done us the greatest possible service.

It is not, however, at all the relationship with the proprietor which has threatened the independence of *The Times*, but the relationship with the trade unions which has threatened our survival. It was the breakdown of that relationship which led to the withdrawal of the Thomsons who, from the editorial point of view, were excellent proprietors, generous, straightforward and absolutely correct. There has been an extraordinary sense of dissociation about the editorial process on *The Times* in recent years, as we covered the news, the news covered us; it has been like playing chess in a hurricane, as the King castles, the roof lifts off.

persuaded to do something from which they have benefited for so long: that is, to stand aside and take a hard, critical look at their philosophy and performance? There is, after all, no way in which we can really pay ourselves more whilst earning less; but there is the prospect, if minds can be cleared of cant, of the unions and the employers, together with the Government, embarking upon a policy which will not only contain inflation, but provide for industrial expansion at the same time. Trade union leaders are at least to their members, whom they have badly served during these past years. We can only hope that there are some among them who are big enough to accept self-examination and realize that in pursuing unattainable objectives they are denying the mass of their members the industrial prospects which could be theirs.

Yours sincerely,
WILLIAM SHEPHERD,
77 George Street,
Fountain Square, W1.
January 20.

National resources for drug abuse

From Dr P. H. Connell
Sir, The past two years have seen a marked increase in the number of people seeking help for problems caused by drugs. Two developments, in particular, demand attention. Firstly, general practitioners are once again undertaking the care of opiate addicts, a burden from which the setting up of the clinics in 1968 was supposed to relieve them; secondly, many addicts are being deterred from coming off drugs by the long wait for admission to detoxification units.

At a meeting organized by this Institute last autumn, key people from 13 National Health Service drug dependency clinics and 10 voluntary agencies providing specialist services for drug abusers in and around London, were unanimous that:

1. The present trend to devolving the funding of services, both statutory and non-statutory, for drug abusers must be reversed; central Government should accept the responsibility for provision of the core costs of specialist drug services. It is wholly inappropriate that a field of care, which is inextricably linked with national factors and international ramifications, should have to depend on local resources for funding.

Those involved in drug misuse are often difficult people who attract little sympathy or understanding. To incur the cost of local funding, where competition for resources is fierce, is to exclude many drug addicts from specialist care. Increasingly, local funding has come to mean the withdrawal of support from re-

sources and personnel at a time when the numbers needing such care are acknowledged to be rising. Central Government should recognize the need for a national response to a national problem and facilitate it through the provision of core funding.

The law in relation to prescribing for addicts should be modified. On the one hand, all drugs that are or might be used to maintain drug addicts should only be accessible to them by specially licensed doctors; the restrictions that currently apply to heroin and cocaine under the supervision of a consultant, to doctors outside hospitals should be urgently examined. A condition of the licence could be that the doctor works in consultation with a specialist service, and that the doctor is under the supervision of the nearest appropriate specialist facility, thus providing opportunity both for support for the practitioner and more thorough monitoring of maintenance prescribing.

2. Detoxification needs to be more readily available to drug users wishing to withdraw. A first solution might be the establishment of a central clearing house (like the emergency bed service) that could ensure that the existing facilities are fully used. This might also facilitate the assessment of what additional detoxification facilities might be needed.

Yours faithfully,
P. H. CONNELL, Chairman,
Institute for the Study of Drug Dependence,
Kingsbury House,
3 Blackburn Road, NW6.
January 19.

Cycles in society

From Professor Ivor Mills
Sir, The description of business cycles by R. S. Sargent (January 15) is very interesting. It is a reflection of changes in human society. He remarks that the changes in business cycles between 1945 and 1973 were too mild to relate them to underlying theory. This probably does not apply to unemployment in this country. For some years *Social Trends* has published a chart indicating the peaks and troughs of unemployment for the past thirty years.

Profound changes in unemployment occurred even in the time before 1973: the years of the peaks are shown in the table.

Year of peak	Unemployment (moving quarterly average)
1953	325,000
1959	429,000
1963	514,000
1968	553,000
1972	879,000
1977	1,455,000

The successive rises exponentially (and so do the intervening troughs) and do not seem to be related to which political party was in power. From the data one can estimate that the next peak is in 1981 or 1982 and its height (if similar underlying factors prevail) would be about 2.52 million.

More than one mind

From Mrs Katharine Thwaites
Sir, Nothing is more likely to damp enthusiasm than a confusion of aims and so it may be that complaints about diminished enthusiasm for this year's week of prayer for Christian unity indicate a need to raise the fundamental question as to what the ecumenical movement is all about.

Insofar as it concerns the establishment of a spirit of charity and tolerance between the denominations, with all the opportunities and Christian witness that it involves, the churches can congratulate themselves on having come a very long way. But if ecumenism is also about the achievement of universal doctrinal agreement, then Christians must admit that they still have a long way to go; moreover techniques which were appropriate in the first part of the journey are not necessarily helpful in the second part.

The point has been reached at which it is possible to make common cause in the pursuit of truth, rather than to do battle in an attempt to score points off the other. We have never lost sight of this, but we have not entirely lost sight of the aim of ecumenism continues to be seen primarily as the fostering of some kind of "ecumenical" "togetherness", as it might be to bring about an ecumenical "togetherness" between a group of close friends. For as long as this attitude prevails the ecumenical-minded will be tempted to fudge genuine differences of doctrine and faith, or to stiffen it up as the case may be in order that it may more nearly accord with that of another church. Joint theological inquiries will be set up which founder on the fact that there are no common denominators in the truth; but seeking agreement for agreement's sake and to do this is to risk producing something essentially spurious. It might almost be said that what is chiefly agreed under these conditions is that the truth be concealed, or at least not fully brought out, in the interests of a purely nominal unity.

But why should it be feared that objective theological inquiry might provide an obstacle in the path of Christian unity? It is the essence of the ecumenical movement to respect the other's right to an independent

for this year or 3.02 million for next year.

By late 1982 the peak will be past and the present politicians in power will no doubt be rejoicing in the prospect of unemployment. The trough would be followed by a new peak of unemployment and it would be expected about 1986. The extrapolated data would suggest that that peak would reach 6.92 million unemployed.

One of the many social disturbances which have risen exponentially over the same time is attempted suicide. The numbers in Cambridge have been falling since July, 1973, and in Edinburgh a little earlier. The reason for this continuing fall is not at present clear, but, dare we think, it may herald a change in society and in our apparent heading plunge to total disaster.

Understanding the fluctuations of social parameters is of great importance to the future of our society, especially as so many factors have looked increasingly depressing in the last fifteen to twenty years. Yours faithfully,
IVOR H. MILLS,
University of Cambridge Clinical School, (Department of Medicine), Addenbrooke's Hospital, Hills Road, Cambridge CB2 2RQ.
January 15.

opinion and, for those who conceive of unity as a charitable association of Christians who are of more than one mind, the goal has largely been reached. The search for a Christian unity is over. Such divisions as remain, or may arise, can hardly be labelled "ecumenical", rather, it could be said that to expect them to disappear altogether would be to expect a miracle.

At the same time, neither have they anything to fear who do indeed look for such a miracle and who hope to see all Christians doctrinally of one mind, for they surely envisage ultimate unity as being in the mind of Christ who declared himself to be the truth. For these it follows that single-minded pursuit of the truth for its own sake, regardless of any other end, will very certainly lead them where they want to go.

Yours faithfully,
K. M. THWAITES,
Winchester, Hampshire.
January 19.

From Elizabeth Lady Williams
Sir, Whilst cathedrals debate, this remote Dorset village has acted. Each year a large number of boys from a Roman Catholic school camp in our grounds. We have always lent and shared our parish church for their Mass. Last year (and supported by their priest) we decided not to sit back in our own church whilst they received the sacrament. So the Anglican sacrament was reserved by our parish priest and a joint Communion service was then held. When the sacrament was offered we all went to the altar in two lines, RCs on the left (left footers?) and Anglicans on the right, and each received the sacrament from our own priest.

It was a most moving and memorable occasion and enabled two local parishioners of a mixed marriage to walk to the altar together and receive Communion together.

Surely what Littlebady can do Canterbury can follow? Yours faithfully,
ELIZABETH M. C. WILLIAMS,
Brideshed, Littlebady, Dorchester.
January 19.

Countryside conservation

From Mr Peter Hardy, MP for Rother Valley (Labour)

Sir, Oliver Stanley, of the Country Landowners' Association, may have been right to remind us (feature, January 14) that our countryside is a product of agriculture and that many farmers are concerned about conservation.

But Mr Stanley's article really overlooks the severity of habitat loss in recent years. There may be 3,535 sites of scientific interest, but the fact is that each year 4 per cent or 5 per cent of these sites are being ruined, usually as a consequence of occupier or owner action. I accept that taxation policy may have a part to play in ensuring that our national heritage is not heed-

lessly sacrificed. Much of it must remain for the British countryside. It is enormously important, not only for our aesthetic, but from the point of view of tourism.

There is, of course, another approach which may be relevant. If a farmer completely disdains conservation, if his holding becomes industrialized, then agricultural dereliction may be increasingly questioned. Indeed, it might almost be said that what is chiefly agreed under these conditions is that the truth be concealed, or at least not fully brought out, in the interests of a purely nominal unity.

I do not suppose the CLA would be eager to see such a development, but given the pace of destruction, existing arrangements are obviously inadequate. Yours faithfully,
PETER HARDY,
House of Commons.

Grants to the performing arts

From Professor E. G. Wedell

Sir, The minor adjustments of the Arts Council's grants for 1981-82 reflect a worrying absence of strategic thinking in the council as well as tactical ineptitude. Sir Ralph Richardson (letter, January 20) has drawn attention to the strategic error of cutting down on the seed corn represented by the grant to the National Youth Theatre. Mr J. J. Jones (letter, January 19) in the radical error of giving the D'Oyly Carte Company no encouragement to raise its standards.

The approach of the council to what it calls "building-based drama" further illustrates these deficiencies. Such drama is essentially regional, whether provided in London or elsewhere. Moreover, one of the duties of the council is "to increase the accessibility of the arts throughout Great Britain". And yet, before the recent changes, about £3.5m went to theatres in the London conurbation area whose population is about 13 million, and only about £5m to the rest of England, where about 33 million people live (Scotland and Wales have their own councils and are excluded from these figures).

This discrimination is not new. What is new is the evident absurdity of attaching the term "national" to a particular theatre rather than to a particular quality of production. It has in recent years become apparent to both audiences and critics, if not to the Arts Council, that productions of "national" quality can now be found in at least a dozen cities besides London. Moreover, the people are now more than 50 or 60 miles from a theatre of actual or potential national standing. So there is no longer any justification for depriving them of access to such theatre by spending £5m per National Theatre, to which they cannot get, at the expense of adequate provision for the theatres of "national" standing which they can visit easily.

Scheer ingenuity and dedication are no longer enough, if these theatres are to be saved the council must change its strategy. If it does not it will have on its conscience the death by starvation of the most significant theatre in our country, "national" theatre in the country. Yours faithfully,
GEORGE WEDDELL,
18 Cranmer Road,
Manchester.
January 17.

Academics in Yugoslavia

From Professor J. W. N. Watkins

Sir, Seven professors of the University of Belgrade, the so-called "Pravda" group, have now been freed from the university. This follows the enactment, last June, by the Serbian Assembly of a new university law which decreed that unless they went voluntarily, within six months, they would be dismissed for loss of employment rights. They had been suspended from their teaching duties since 1975. During their suspension they received a reduced salary and were allowed to take visiting positions in universities abroad. Now at least one of them has his passport confiscated, it looks to us as though they are now going to be kept penniless

and rightless in Yugoslavia. No court action has ever been taken against them. It is they who have tried to go to court (to sue a party official for slander and to challenge the constitutionality of this law) but they were stopped from doing so.

For Western scholars it is depressing to watch the government of the country that so bravely defied first Nazism and then Stalinism trying to bully into silence a handful of thinkers whose sin is their uncompromising intellectual integrity. Yours faithfully,
J. W. N. WATKINS,
ERNEST CELLNER,
London School of Economics and Political Science,
Houghton Street, WC2.
January 19.

From Lord Elynn-Jones
Sir, The performances of Gilbert and Sullivan's operas by D'Oyly Carte have been an essential part of our national heritage for over a hundred years. The operas enjoyed all the success which, in this country, D'Oyly Carte productions continue to attract enthusiastic audiences. The company obtains 88 per cent of its income from the box office. This compared with the 25 per cent in the case of other Arts Council subsidized companies is an eloquent testimony of its popularity. English theatre audiences are discriminating and should be trusted to judge the quality of productions.

The British public will, I believe, have been dismayed by the Arts Council's announcement that it has rejected the recommendation of its own inquiry that D'Oyly Carte should receive a grant of between £50,000 and £100,000 a year which it sorely needs to maintain its standards and to continue its record of 35 weeks on tour. I am sure I will be joined by the many friends of D'Oyly Carte in asking the Arts Council to reconsider its unfortunate decision.

I am, Sir, yours faithfully,
ELWYN JONES,
House of Lords,
January 21.

Rugby football injuries

From the Headmaster of Keil School

Sir, I write as the headmaster of a small independent school which none the less has a reputation for the quality of its rugby football, and also as the father of one of the victims of a serious rugby injury about six weeks ago which gave rise to my first correspondence in your columns. From the thought and discussion which have been a large part of my life in those weeks, two points emerge.

The undoubted increase in the number of serious rugby injuries in the last few years is a cause for concern. It is the increase in the amount of competitive, as opposed to "friendly", rugby. Some of your correspondents have sought to blame captains in this context, but I think that the fault lies with the coaches who teach the boys that it is an essential part of his duties to "psych up" (in the modern jargon) his team so that they will do things which in snarled moments both he and they would regard as dangerous to the point of injury. One of the serious injury cases being treated at Stoke Mandeville even now is where because he attempted to use his head as a battering ram against an opponent.

The Aelfgyva mystery

From Lady Merrison

Sir, What was a Monday morning test for medieval historians (feature, January 19)? At the risk of sounding ungrateful, I must point out that it is usual to be able to turn the page upside down or some such thing to find the full and hidden errors. May I provide one? 1. To begin with, the real name of Aelfgyva was not Emma, but Aelfgyva. Canute "married" two Aelfgyvas. The first was Aelfgyva, daughter of the earldorman, Aelfhelm, whom he "married" Scandinavian-style (more Danico). The second was Emma of Normandy, who had changed her name to Aelfgyva on her marriage to the English king. Aelfhelm, the scandal, as Dr McNulty correctly said (cp your Correspondent today), was attached to the first, whom the Anglo-Saxon Chronicle refers to as "the other Aelfgyva".

2. Naturally, therefore, the Emma of Emma "did not contain" a word of rebuff of the alleged sexual impropriety. The impropriety was not Emma's. 3. The figures in the borders of the tapestry do from time to time link with the main section, as when the crown points to Harold's crown, the top border while in the lower border, below the enthroned Harold, are the ghosts of invasion-ships presaged by the omen.

The battle of interpretation is best left to Dr McNulty and Mr Roy. But whatever the scene means — and the "Buckley Tape", stage left in the lower border, is doing and representing whatever naked figures with adzes do and

thoughtful, coaches hold that efficient rugby stems from the correct application of "body mechanics" which in turn incorporates the safe way of performing the various skills required. The trouble is that far too few of the people engaged in coaching have the proper knowledge of these principles. A quick check early in this term in this school has revealed that nearly all masters coaching rugby are quick to confess that their knowledge of the necessary rudiments of self-preservation is slight. The young, well-trained master is taught only by their products.

I appeal to my headmaster colleagues to check whether their own houses are well in order. With all respect, it is not enough that staff have attended short national or regional coaching courses. The knowledge we are talking about is learned in colleges of physical education, and can properly be taught only by their products.

Yours, Sir,
J. B. WIDDOWSON, Headmaster,
Keil School,
Heleneside Road,
Dumfries.
January 15.

represent the heroically proportioned, naked figure below Aelfgyva is making an explicitly rude gesture towards her with his left hand. One reader, to think how "well founded" Mr. Royston wants his "linking" to be.

4. Norway did claim the English throne in 1066. King Harold Godwinson, invaded in September in order to take it, possibly on the basis of a treaty between Harthgar and Magnus of Norway. 5. What do you, Sir, call "the eve of 1066"? Surely Edward the Exile, not "the overthrown king" as he died in 1057.

Your next challenge is eagerly awaited. Yours faithfully,
MAUREEN MERRISON,
Department of History,
University of Bristol.
January 19.

From Mr Geoffrey Beaton
Sir, The "naked rustic" under the Aelfgyva scene, referred to by Gabriel Royston ("The strange lady of Bayeux", January 19), is not "wielding an adze". He is using an early type of side-axe, known as a "T-axe" to trim the edge of a board. This kind of axe was used on one face of the blade only. The other face was flat and enabled timber to be trimmed to a line. Readers will find the T-axe illustrated and described in W. L. Godman's *A History of Woodworking Tools*, 1964.

Yours faithfully,
GEOFFREY BEATON,
The White House,
56 Park Lane,
Sandwich, Kent.



Belgian steel workers fight merger plans

The works of Hainault-Sambre, Belgium's second largest steel company, were brought to a standstill as workers went on strike in protest against plans to merge the Charleroi-based group with Cockerill of Liege, the country's largest steel concern.

The plans, which were made known at the beginning of this week, will involve a reduction in the workforce of the two concerns that has been estimated at between 3,000 and 4,500 of the present combined total of 27,000 employees.

The strike at Charleroi reflects local concern that local redundancies will be greater than in Liege, although the unions in Liege are planning to strike from Saturday in protest against the plans.

The proposed merger was discussed today at the Belgian steel industry planning council, a body that brings together employers and unions, national and regional governments, and the European Community.

No decisions were taken but Viscount Etienne Davignon, the EEC's Commissioner for Industry, was reported to have told the meeting that the number of steelworks in the southern French speaking part of Belgium would have to be cut by three from four if the industry were to survive in the area.

Tokyo prices cheaper

The prices of Japanese export and import goods fell in December from November, mainly because of the yen's appreciation. The index of export goods prices stood at 102.9 (1975=100), down 0.3 per cent from November and down 1 per cent from the same month in 1979. The index of import goods prices was down 0.7 per cent from the prior month but gained 8.3 per cent from the year before.

Honda earnings soar

Honda's consolidated third-quarter earnings soared 19.9 per cent from a year before, because of brisk sales in overseas markets and favourable foreign exchange fluctuations. The net profit in the three months ended November 30 was 16,769m yen (about £340m).

Investment mission

Japan will send an investment study mission to four European countries in March, the Ministry of International Trade and Industry, said. The 20-company mission will visit The Netherlands, Belgium, Luxembourg and Portugal to look into their policies toward foreign investment.

German GNP revised

The West German Economics Ministry now expects the country's real gross national product to stagnate or contract by up to 1 per cent. The revised forecast was for growth of up to 1 per cent.

Better airline prospects

Prospects for the airline industry will improve this year - after a setback in 1980 - because of better economic conditions in industrialized countries, Mr Assad Koubi, the President of International Civil Aviation Organization, said in Singapore.

Oil exploration

Mr Owen D. Thomas, vice president of Phillips Petroleum, said in New Delhi that India could become self-sufficient in energy if all potential areas were opened to an all-out oil exploration programme.

Companies accord

Westinghouse Corporation of the United States and officials of the two governments are putting the finishing touches to an agreement setting out the terms of cooperation between the two companies in the coming years, industry sources said yesterday.

Turkish exports

The return to normal industrial production in Turkey after last year's September 12 military takeover of power has led to a sharp upturn in exports, Mr Y. Akturk, under-secretary of Turkey's state planning organization said.

Cargo ships ordered

Schulz and Clemmensen of West Germany has ordered three 4,400-ton multi-purpose cargo ships from the China Corporation for the Shipbuilding Industry. The ships will be built by the Zhonghua shipyard in Shanghai.

Denmark jobless up

Unemployment in Denmark rose in November to 216,750, or 8.3 per cent of the total labour force, the Government's Bureau of Statistics reported. It was the fifth consecutive month that the country's jobless rate has risen.

Video cassette output

Japanese video cassette manufacturers plan to spend about £100,000m this year to expand output to meet growing demand at home and abroad.

Oil industry confusion as prices hover around 134p a gallon

Garages set for petrol price 'war'

Garage forecourts look set for another price 'war' as oil companies watched yesterday for signs of a fall in sales. Esso said it had ordered some of its outlets in the Midlands and North to cut prices by up to 7p a gallon.

A spokesman for Shell, which with Esso is joint market leader with about 20 per cent of sales, said last night: "At the moment we are trying grimly to hang on, but the position is most unsatisfactory."

That could be good news for the motorists at least in the short run. Most industry leaders are optimistic that another forecourt price-cutting war will not break out, but this could prove to be wishful thinking.

In most places prices seem to be hovering around 134p a gallon, although isolated examples of some hypermarkets charging as little as 124p a gallon were quoted.

Last night, there was some confusion within the industry as to whether a new petrol price war had started, and if so who started it. Shell denied reports earlier this week that it had introduced new temporary discounts of 4p a gallon to help hard-pressed dealers.

These had been in existence for some

time, an official explained. He added that the company was desperately trying to prevent prices slipping from the 134p average.

Shell blamed Esso which confirmed that it had given temporary support to some stations. However, the company, which sells petrol through almost 5,500 outlets, emphasized that its action was merely defensive and strictly limited.

Price reductions of as much as two or three pence have been introduced at only a small number of stations. These are probably as few as 70. Most are situated in the Midlands and the north, and in most cases were located near hypermarkets. These had been taking trade from the Esso stations by offering huge discounts, often at "loss-leader" prices.

An official for Esso said yesterday that the company did not believe the adjustment was part of a trend. "Events over the past few days may have suggested that we are heading for a further period of price cuts, but I do not believe this will prove to be the case."

Nevertheless, both companies, along with BP Oil, the third largest petrol supplier in the United Kingdom, are keeping

a close watch on market developments. They are anxious not to bring down the price or to stampede themselves into cutting prices, but they do not want to be left behind in the competition.

One industry observer said last night: "The oil companies were concerned last week that the new price hike might not stick. Their concern is now being borne out."

The present confusion over prices, after a short period of relative stability, has prompted motorists to seek out dealers offering prices up to 10p below the average. It follows directly from last week's general increase in wholesale prices. The addition of value added tax this meant that most garages added about 5p a gallon to pump prices.

These increases could in turn be traced back, via the British National Oil Corporation, to rises in crude oil prices put into effect by members of the Organization of Petroleum Exporting Countries after their OPEC meeting last month.

John Huxley

Liquidity eased for W German banking

From Peter Norman Frankfurt, Jan 22

The West German Federal bank today eased the terms on which it is making liquidity available to the German commercial banking system.

After a meeting of its central council today, the bank announced that it would cut the minimum reserve rates on banks' domestic and foreign liabilities by 7 per cent from the beginning of next month, releasing DM3,700m (£775m) of liquidity at present tied up in two interest-bearing accounts at the central bank.

It also decided to increase the banks' discount quotas, at which they can borrow at bank rate of 7.5 per cent, by DM3,000m (£629m) from the beginning of February.

These measures are intended to replace part of DM5,500m (£1,192m) of liquidity assistance granted recently by the



Herr Pöhl: no question of reducing interest rates.

federal bank at higher rates than banks against collateral.

However, any suggestion that today's moves might represent an easing of German central bank policy was dispelled by the publicity given to the most recent speech of Herr Karl-Otto Pöhl, the president of the federal bank.

In the speech, made on Tuesday evening but publicized today, Herr Pöhl made clear that there could be no question of the federal bank reducing interest rates in West Germany as long as the country was running a large balance of payments deficit that must be financed through capital imports.

Addressing a gathering of bankers and businessmen in Frankfurt, Herr Pöhl pointed out that West Germany's external position had altered fundamentally over the past 18 months - and not just because of the increase in oil prices.

Germany's balance of payments deficit had far-reaching implications for the international position of the Deutsche mark, for its exchange rate, for prices, and interest rates, he said.

He said that the federal bank would not relax its monetary policy to accommodate inflationary wage increases. Nor did he see any economic salvation in higher public spending. The removal of restrictions on investment in projects such as nuclear power stations was more important.

Some of Herr Pöhl's strongest words concerned energy policy. He gave a warning that time was working against Germany, and that people should no longer succumb to illusions.

It was not just energy-rich countries like Britain, the United States and Canada that were better placed than Germany, but France had also put itself in a far better long-term position thanks to its far-reaching nuclear energy programme.

If Germany failed to catch up, there would be grave consequences for growth and employment.

Business appointments

Two new directors for Sedgwick Group

Mr J. S. Gilbert and Mr A. Platt have been appointed directors of Sedgwick Group with effect from February 1.

Mr Terry Landsberg, on secondment from management consultants P.A. International, has been appointed a senior executive of Equity Capital for Industry.

Mr Dennis Rogers has been appointed managing director of Myton, part of the Taylor Woodrow Group. He takes over from Mr Gordon Higgs, who has become a director of Taylor Woodrow and remains chairman of Myton.

Mr James Gattward has been appointed managing director of TV franchisees that has been offered the South & South-East Independent TV franchise. Mr Anthony Brook is assistant

Government boost for exporters in fight against 'soft' credit deals

By Peter Hill

Industrial Editor

Britain's hard-pressed exporters are to be given a boost under a new government scheme to counter the "soft" export credit terms offered by many of their competitors.

The scheme, which will be launched next month, will be operated by the Export Credits Guarantee Department and will involve provision of grants to United Kingdom exporters to reduce the effective interest rate to potential overseas customers.

The Government has allocated £20m for the scheme over the next two years, with a review in the second half of next year.

But the scheme will be limited to providing assistance as a defensive measure to counter cases of "soft" credit offers by foreign competitors. For this and other reasons the move last night met with qualified support from the Confederation of British Industry (CBI).

A spokesman for the CBI's exporters' organization said last night: "We are pleased that

the ECGD are tackling the problem of soft credit, which has in the past put British firms at a disadvantage in world markets. However, it remains to be seen whether funds set aside for the purpose are adequate. We would have also liked to have seen opportunity for greater initiative in the use of these funds."

Mr Cecil Parkinson, Minister for Trade, announcing the scheme in the Commons yesterday, stressed that the scheme would be reviewed in the light of progress of international negotiations to restrict the use of soft credits, notably of the French "credit mixte" variety.

Such soft credits distorted the normal patterns of commercial trading and the United Kingdom's retained an important supporter of international efforts to remove or restrict such schemes, he said.

In the French system, officially supported commercial credit is combined with a government aid loan to the overseas buyer, often at favourable

interest rates, effectively leading to a "softer" than commercial credit for similar contracts.

Mr Parkinson said that until the international efforts to restrict such schemes bore fruit, the Government's best deterrent as to operate an effective matching policy. Provisions already existed for channelling matching support on sound projects in aid-worthy countries.

"The ECGD has powers to provide grants whereby the United Kingdom can match the concessionality of foreign offers in the non-aid field by lowering the effective interest rate to the overseas customer. The operation of these powers is not linked to developmental criteria," he said.

Mr Parkinson said the Government believed that the new scheme supported by the existing aid and trade provisions would provide more effective support to British exporters where they were competing with soft credit offers.

Corporation to supply trial aeriels Telecom steals lead in business satellites

British Telecom yesterday outlined a strategy to put the corporation in the front line of the business satellite market and give it a head start on the private sector.

Later this year the corporation intends to start supplying customers with small dish aeriels for commercial trials in the autumn. The trials are in preparation for the launch of a new communications satellite by Eutelsat, an organization representing 19 European countries.

British Telecom's haste will surprise the private sector which has been preparing to compete.

The first of the European communication satellites of Eutelsat will be launched in 1983. A second will be launched to provide backup facilities.

Mr Peter Benton, managing director of British Telecom said the new aeriels were "paving the way for a new era in which the nation's businessmen will be able to communicate within Britain and with Europe directly through small aeriels placed on their own rooftops, or parked beside their offices."

However the initial investment could be prohibitive - an aerial and its electronics will cost £25,000. It is a service which would appeal to those businesses which are involved

in a great deal of international communication.

The tariff structures have yet to be agreed between the various countries. What is clear is that the prices should be independent of distance and should reflect whether the aerial is being used full time, part-time or shared with other users.

The Eutelsat programme will involve the launch of five satellites. A decision just before Christmas to allow the transmission of private data has made the aerial service possible.

A French satellite due to be launched in 1983 to cover France and neighbouring countries will provide space for British Telecom. Providing the data transmission services for small dish aeriels is expected to cost the Western European nations £20m, of which £5m will be paid by British Telecom.

For the initial phase, the corporation has ordered about 25 sets of terminal equipment from Ferranti.

The new Telecommunications Bill according to Sir Keith Joseph, Secretary of State for Industry, will allow the private sector to become involved in the provision of "value-added services" which could embrace data networks both land-based and using satellites.

Bill Johnstone

Banks to talk on loans plan for small companies

By Bryan Appleyard

Letters have gone to the banks from the Department of Industry inviting them to consult on a government proposal for a loan guarantee scheme for small companies.

The letters, from Miss Anne Muller, deputy secretary at the DoI, outline an experimental scheme which would run for three years.

This would involve up to 5,000 loans of a maximum of £50,000 each. Maturities on the loans would range from two to seven years.

Key figures to be negotiated are: the proportion of each loan which would be guaranteed by the banks, with a figure of about 80 per cent being the most likely; and the interest rate premium required on the loans.

This latter consideration means that the Government will in no way be subsidizing companies because the loans will actually be more expensive than normal bank loans.

Consultations are likely to start on Monday week and the indication is that, if they are successful, the scheme will be launched in the autumn.

Meanwhile the Union of Independent Companies is understood to have completed its report defending the idea of loan guarantee schemes and delivering the document to Sir Keith Joseph, Secretary of State for Industry, this morning.

This report was begun last autumn in response to a sudden change of attitude in government and civil service attitudes towards the idea of loan guarantees.

Business appointments

Managing director and director of finance, Mr Michael Eklund is Barclays Bank International, North America, Group Office, New York. Mr Sol Lambert becomes senior executive vice-president, Group Office, New York. Mr Ken Atkinson has been seconded and appointed vice-president, Group Office, New York. Mr John Champion is now senior vice-president, Group Office, New York.

Mr Bill Martin has been appointed premises manager of the Bank of America.

Mr Peter Doyle has been appointed managing director of Manston Leasing Management. Mr Barrie Turner has been made managing director of Mercantile Agricultural Finance (Management).

Mr Richard Carden, regional general manager and chief execu-

Help for developing countries

From the President, British Executive Service Overseas

Sir, The criticisms levelled at British Executive Service Overseas (BESO) by Mr D. Taylor in his letter of January 15 constitute an ill-informed attack not only on BESO executives but on the many British companies who support this form of aid to developing countries.

In answering one man's call "to BESO, which organization your readers may wish to note has the support of Her Majesty's Government, the Institute of Directors and the Confederation of British Industry, it is perhaps best, merely to record some of the historical facts about BESO."

Last year the Brandt Commission on International Development Issues published proposals for alleviating the economic and social problems of the Third World which showed clearly the assistance needed.

BESO, working alongside similar organizations to itself which operate from the United States, Canada, Japan and other European countries, has a vital role to play in support of the international world-wide aid programme backed by the United Nations, World Bank, Lomé Convention and other programmes. Being an independent organization, but operating with the full support of the British Government and leaders of industry over the past ten years, and administered by an experienced team of senior executives from industry and commerce, BESO is able to make its small, but important, contribution by the education and training of people engaged in industrial and commercial activities in Third World countries.

Within the overall aid programme concept BESO's aim is to assist these organizations to

utilize their resources to become more efficient and to contribute more effectively to the economy of their country. By so doing they are able to improve their standard of living, develop world trade and in turn become less reliant on the more developed countries of the world for financial assistance.

The consensus of opinion of the countries operating this type of service indicates that a significant contribution is being made through the quality and experience of mature executives who offer their services after a lifetime in industry and commerce. The type of assistance requested covers a wide variety of disciplines which through training at all levels, assists organizations to play their full part in the future expansion of their country.

In addition to this form of aid we must not overlook the substantial trade spin-off that develops from assignments of the direct benefit of British companies.

There are occasionally requests for assistance which can involve technology and confidential industrial information which should not be made available other than through technology and know-how agreements against royalty payments and other forms of technical liaison agreements. In such cases United Kingdom companies are invited to comment on that suitable introduction can be effected as appropriate. Contrary to Mr Taylor's fears, BESO executives undertaking assignments are responsible people who do not reveal vital trade secrets.

Since BESO's inception over 400 assignments have been undertaken with the full cooperation of British industry; BESO will continue to make its valuable contribution to the aid programme and to the development of world trade with

attendant benefits to the United Kingdom economy. BESO does not seek publicity and praise for such work, but it does demand and deserve not to be misrepresented as it was in Mr Taylor's letter.

Yours sincerely,
ERROLL OF HALE,
President,
British Executive Service Overseas,
116-119 Pall Mall,
London SW17 5ED.

From Mr John Emanuel
Sir, Mr D. Taylor (January 15) has a dangerously static view of technology. We cannot, and perhaps should not, without technological assistance to other countries less advanced than ours. You may be sure that we do not supply the desired assistance, someone else will and it will be his country's equipment and perhaps political ideas that will be introduced into another market.

Our technology can be exploited in our own factories and also, through licensing and joint venture arrangements, in factories overseas. The trick is to keep our technology a few years in advance of that of our competitors and licensees. Revenues from joint venture and licences can help finance the R & D necessary to achieve this. In many cases careful planned technology transfer is a more efficient way of exploiting British skills in the world market than laborious manufacture and expensive shipping of low cost products.

Yours faithfully,
JOHN D. EMANUEL,
Managing Director,
Pax Technology Transfer Limited,
Excel House,
42 Upper Berkeley Street,
London W1,
January 19.

Stock Exchange and CCA

From the Chairman of The Stock Exchange

Sir, Judging by the unusual number of enquiries received by the Stock Exchange in the last two days and referring to reports in your newspaper, it is clear that your article on January 19, 20 and 21 about our requirements in relation to current cost accounting has caused some confusion. The purpose of this letter is to set the matter straight for the benefit of your readers.

SSAP 16, which specifies the inclusion of CCA results in annual accounts, is like all statements of standard accounting practice, a requirement of the principal professional ac-

countancy bodies in the United Kingdom and Ireland. United Kingdom and Irish listed companies are expected to comply with all accounting standards SSAP 16 is applicable to accounting periods beginning on or after January 1, 1980.

The Stock Exchange is concerned with its own requirements which relate to preliminary announcements and interim reports. After a comprehensive review the Stock Exchange Council decided at a meeting on Tuesday to postpone the operation of its own requirement that interim reports contain CCA figures until some experience has been gained by companies in drawing up

annual accounts in CCA form. The requirement to include CCA information in interim reports will not apply until the half year period following the second full year for which CCA results (in accordance with SSAP 16) have been prepared.

For a company with a year ending on December 31, the first interim period to which our CCA requirement will apply will be the six months to June 30, 1982.

Yours faithfully,
NICHOLAS GOODISON,
Chairman,
The Stock Exchange,
London, EC2N 1HP,
January 22.

Post Office services and finance

From the Director of the Mail Users' Association

Sir, There is much to welcome in the letter of the chairman of Posts and Giro (January 12). Since its inception in 1975 the Mail Users' Association has continually argued the need for Posts to increase volume and shift away from being a low productivity, low basic pay industry. It is encouraging to learn that these objectives have been adopted. However, the chairman of Posts did overlook a few points.

Price freezes are useful only if they result in a lasting reduction in prices. Previous periods of restraint in postal prices did not achieve this, but merely delayed increases. Thus the restraint of the early 1970s ended in 1975 with increases of about ninety per cent. The restraint of 1977-79 was followed by steep increases in August, 1979, and February, 1980. The latter instance was noteworthy for a statement by the then

chairman of Posts extending the period of restraint only a matter of months before the dire state of postal finances became public knowledge.

Therefore it is understandable that customers become jittery when they hear about postal price freezes and immediately ask themselves the question: "Is this really tariff restraint, or are the increases merely being stored up for later?" It would be helpful to have an assurance that such doubts are unfounded on this occasion.

Comments on the state of postal finances usually elicit a response from the corporation to the effect that the commentator was mistaken on certain points. It is surprising, therefore, that Posts is not more forthcoming about the state of its finances. In the last set of annual reports, detailed information about previous tariff increases was omitted entirely, even though such information had been given in every pre-

vious report since corporation status.

Moreover, although Posts has been a public corporation for over eleven years, it still produces no formal interim report and has not published a quarterly statement of revenue and expenditure. The lack of such information, and more important, the lack of willingness to supply it, reinforces customers' sense of unease about postal finances.

The chairman of Posts concluded that he was sure the customer would welcome the corporation's endeavours. I am sure that, for his part, he would concede that such a welcome must be in proportion to information given about its affairs, and to the results.

Yours faithfully,
MICHAEL E. COREY
Director,
Mail Users' Association Limited,
Tress House, 2nd Floor,
3-7 Stamford Street,
London SE1 9NT.

ENGLISH CHINA CLAYS LIMITED

LORD ABERCONWAY reports on excellent results despite difficult trading conditions.

Extracts from the Chairman's Statement

RESULTS
Your directors take pleasure in presenting what are undoubtedly excellent results for the year especially as in none of its divisions has the Company been in arrears from the effects of the current recession. In the circumstances, a profit for the year of some £40,500,000 before tax is more than satisfactory, and it reflects great credit upon all who have worked for the Group. It is struck too, after bearing a charge of nearly £3M, to implement the early retirement scheme. Looking at the future, the tonnages of china clay sold in the early months of the current year, that started on 1st October last, are, as we had expected, down on the same period last year. The Quarries Division is facing only slightly better. Costs meanwhile rise inexorably, despite the less steep recent trend of inflation.

I wish I could predict with confidence a continuation of last year's splendid results. It does, however, look as though the profit for the current year is unlikely to match that of the year under review. Against this background, your directors have decided to recommend a final dividend for the year of 3.5p per share, making, with the interim dividend, a total of 5p per share; this compares with a total for the previous year of 5p.

CLAY DIVISION
The Clay Division's output in the United Kingdom of china clays, ball clays and calcium carbonates was in total marginally lower than in the previous year. This however was more than offset by the increase in our overseas production. The output of these and other minerals, which has increased its output, The European paper industry, our largest market, after a good start to the year, has suffered a sharp but not unexpected downturn. Our exports to industries other than paper have increased during the year, a considerable achievement in a year which saw many world-wide difficulties.

The early retirement scheme resulted in 453 volunteers out of 636 employees eligible; it was possible to accept all the applications. We are also taking advantage of the Government's Temporary Short-Time Working Compensation

CONSOLIDATED PROFIT STATEMENT

	for the year ended 30th September	1980	1979
		£'000	£'000
Turnover	332,434	280,790	
Group profit before taxation	40,507	33,115	
Group profit after taxation	29,695	27,119	
Dividends	9,682	8,068	
Profit retained	20,013	19,051	
Earnings per share	18.40p	16.81p	
Dividend cover (times)	3.1	3.4	

Scheme. We hope that it will be possible to return to normal working after a period of about three months. It remains to be seen whether in the difficult times that obviously lie ahead, we shall be able to continue, with the help of the traditional loyalty of our people, to employ the whole of our slimmed-down workforce; we hope so, but it must depend on our efficiency in meeting trading conditions.

Overseas, Anglo-American Clays Corporation, our subsidiary in Georgia, has had another excellent year, despite the recession in America; and Southern Clay Products, Inc. in Texas, which we acquired in December 1979, is prospering.

QUARRIES DIVISION
The buoyant demand for the products of the Quarries Division during the first half of our financial year continued until mid-summer, after which the recession became progressively more marked. By that time however the Division had ensured excellent results for the year. Road-surfacing operations, under Associated Asphalt Co. Ltd., achieved a creditable turnaround from the loss of the previous year, and, through cautious trading, made a modest profit. We have great confidence in the Division's future, and we continue to extend and further modernise its facilities.

BY THE FINANCIAL EDITOR

A bitter-sweet message from Tate & Lyle

Tate & Lyle has been tackling its structural problems ever since entry to the EEC, which provided beet producers with a more favourable climate than Tate's cane sugar business, started to create serious over-capacity difficulties in the mid-1970s.

After the ill-fated takeover of Manbré and Garton, which was supposed to cure the domestic capacity problem and provide new growth centres in starch but has since been mostly sold or closed at a heavy cost, Tate's comments that it is now regaining its momentum may sound rather hollow.

Short-term, however, the closure of the Liverpool refinery should bring domestic supply and demand more or less into balance and allow the group to make reasonable margins on its £375m sugar refining capacity. That along with better than expected full year profits and the more realistic approach of the revamped management to the group's strengths and weaknesses now evident at Sugar Quay helped the shares gain 11p to 151p.

Indeed the balance sheet seems to have come through the crisis in a passably good shape, as asset sales have helped alleviate the closure costs. Along with redundancy costs, Liverpool and the Garton starch plants closed last November these added up to a below the line extraordinary cost of £55.5m, partly offset by a £18.6m clawback from the new stock of relief rules to leave the net write-off £32.6m.

So despite the quarter fall in fixed assets to £151m, shareholders' funds have dropped by under a tenth to £190m. Asset sales have also helped to keep the cash position healthier than it would have been and with tight control of working capital borrowings dropped by almost a quarter to £74.5m, leaving interest charges little higher at £14.2m despite much higher rates.

Cash remains one of the group's major constraints and even with the regime at Tate closely controlling spending and a further tapering off of capital expenditure, redundancy payments and higher working capital needs will mean a £20m or so cash outflow this year. With post tax current cost profits of only £2m, cash needs will limit the scope for any dividend increases.

Meanwhile, the rise in pretax profits from £26.2m to £30.7m is slightly better if exceptional charges are excluded while the lower tax charge and revaluation of Zimbabwe has raised retained profits from £8m to £11.4m. But with commodity trading accounting for 71 per cent of the £42m trading profit, Tate is still a long way from the stable profits base it has been seeking.

Hopefully sugar refining without the £10m or so burden of Liverpool will help and Tate is clearly taking action in other problem areas like the agribusiness. That points to sustainable profits of £33-36m next year but too many of the group's assets are tied up in businesses with few growth prospects to allow any serious rating of the shares, which yield 10 per cent.

Rank Organisation Benefits from loss elimination

Rank Organisation's problems during the 1979/80 period were identifiable early on: the strength of sterling was bound to make a serious dent in its share of Xerox earnings, while Rank itself had to make a painful withdrawal both from its film production operations and from television and radio manufacture.

Exchange rate adjustments, then, cost profits £13.4m, explaining a 124 per cent to £89.3m in the trading profit contribution from Xerox, while non-Xerox profits, down from £43.7m to £37.2m, would have been some £7.6m better but for non-recurring trading losses of £3.4m on film production and £4.2m on television.

That may still be an unsatisfactory return on non-Xerox assets, but it was no worse and probably slightly better than expected—the outcome being a 10p rise in the shares after the chairman, "confidently" predicted an improvement this year.

On the assumption that sterling may weaken a little this year and that this will accordingly benefit Xerox earnings, the recipe is certainly there for something better this year. But it is still going to be a long slog to get real growth from the non-Xerox businesses, though some, like hotels, parts of the engineering business and film distribution are being hurt by the recession; others, notably Butlins, and the Australian business are performing quite well.

That said, Rank has come through 1979/80 in much better shape than could have been envisaged six months ago, and with a new management structure, some longstanding problems eliminated and a strong balance sheet, it has a fair base to develop its ambitions in leisure and technology.

Gestetner Despite sterling

Gestetner caught the pessimists on the hop yesterday with news of full-year profits down only 16 per cent at £16.2m despite the heavy burden of sterling's strength on a group which exports 90 per cent of its output.

The result compared with outside estimates as low as £12m, and the shares responded with a 9p gain to 75p, where a same again dividend gives a yield of 10 per cent and the notional fully-taxed p/e ratio is 54.

Gestetner claims that exchange movements clipped £2.5m from operating profits while higher interest rates lifted finance charges from £3.6m to £5.1m despite a year-on-year reduction in net debt of over £2m.

All this, however, is unlikely to appease those critics, who see Gestetner's heavy dependence on an "outdated" product—the stencil duplicator—as fraught with danger. Gestetner maintains of course that there is still some mileage left in stencil and at least enough to carry the show as the group transforms itself into a multi-product group.

Meanwhile, Gestetner has clearly been putting the barrens on finances. A leap in the tax charge from around a third to 49 per cent mainly reflects the clawback following a sharp reduction in both the volume and value of stocks, while the balance sheet is expected to show a significant reduction in debtors.

The question now after three years of declining profits must be how quickly Gestetner can reduce its reliance on stencil and perhaps more importantly whether it can ever hope to catch up with Japanese competitors in higher technology products. Stencils accounted for around half Gestetner's sales last time compared with 54 per cent previously while copiers increased their share from 13 per cent to 16 per cent.

Until that question is answered the shares will continue to provide a nervous market.

Henlys Little to go for

Just before yesterday's figures for the year to last September, the shares in Henlys, probably the largest BL motor distributor, had the notoriety of yielding nearly 18 per cent or more than any other group in the sector. So the decision to cut the year's final dividend from 13p to 8.5p had the shares up 5p to 79p. But how appealing now is a yield of less than 11 per cent?

The directors hope the new payment is "sustainable even if present conditions continue for some further period". However, they said at half-time last June that if things were picking up now they would recommend a maintained final. But they are not picking up. Business in the first quarter of the present financial year was bad and the first six months could again see Henlys losing money after last year's slide from pretax profits of £4.3m into £387,000 of losses.

The slide into losses was not surprising though Kennings avoided them thanks partly to a good tyre and heating oil business, as did Lookers which in relation to its size is big in spare parts and service.

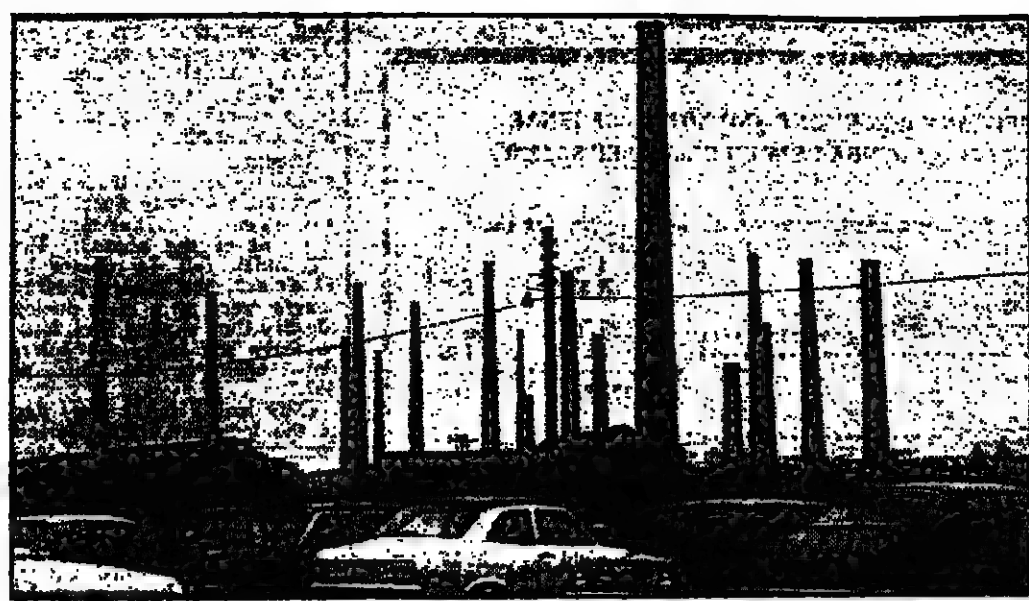
Henlys tried to offset the car slump with good showings from service and leasing, but they were not large enough.

The group is looking to property sales besides lower interest rates to offset last year's rise in interest and stock finance charges from £1.88m to £3.2m and it is fortunate that the property market is holding up reasonably well enough for it to contemplate this method of refinancing.

But property sales would presumably lessen Henlys' attraction to potential bidders who in any case have failed to appear after years of rumour. So may be of only limited relevance. The group has a mere 30 per cent or so of business outside BL, mainly in Ford and Renault franchises, and earnings are not obviously in sight. So there is no hurry to buy the shares.

Technology

How the 'Bedford smell' foxed the experts



A cluster of chimneys in the Bedfordshire brickfields: a modernization scheme has been abandoned

ber, so that the bricks go through a sequence of drying, firing and cooling. Powdered coal is fed into the top of the appropriate kiln chambers during the final stages of firing. Under the Alkali Act of 1906 the brickmaking process must employ the "best practicable means" in preventing the escape of noxious or offensive gases into the atmosphere. The Alkali Inspectorate accepts that there is no suitable technology available that would enable the Inspectorate to require the removal of pollutants from the flue gases.

The Inspectorate's main requirement is that the gases should be dispersed from tall chimneys. This does not reduce the amounts of pollutants emitted, but it does reduce the ground-level concentrations, particularly near the works. The pollutants are generated as the bricks are fired, the sulphur oxides by thermal decomposition and oxidation within the clay, the fluoride by other reactions and the odours by the partial oxidation (combustion) of the organic materials in the clay.

The main sulphur compound emitted is sulphur dioxide, about 43,000 tonnes of which are emitted annually from the present Ridgmont and Stewarby works. For comparison, a 2,000-megawatt coal-fired power station on an average load of 60 per cent will emit about 100,000 tonnes of sulphur dioxide.

About 430 tonnes of fluorides emerge from the Ridgmont and Stewarby chimneys also, compared with about 360 tonnes for the coal-fired power station. The sulphur oxides are harder to quantify; they may not be physically harmful but they can be unpleasant. "Their control is probably the most intractable problem that the London Brick Company has to face", a report by the Department of the Environment noted last June.

What, if anything, can be done to control these emissions? Cramer and Warner, consulting engineers, who were commissioned by Bedfordshire County Council to analyse the environmental implications of the brick company scheme, reported: "The chemical nature of the pollutant emissions from this process are sufficiently different to indicate that no single abatement technique will be found to remove all the materials from the stack gas."

Thus separate processes for the removal of acid gases and odours have been examined as part of the London Brick company's research over the past ten years. Local residents, and motorists on the M1, will be aware of the sweetest smell of brickmaking in Bedfordshire for some years to come.

John Huxley

Thaw begins in British-Soviet trade

British and Soviet ministers are now virtually certain to meet in London, probably in the beginning of May, to discuss economic and industrial cooperation. It will be the first time that top-level trade talks have been held for more than two years.

Next week Mr Gavin Dick, Under-Secretary for Trade, will visit Moscow for talks on "basic issues" with his opposite numbers. This has already revived the hopes of businessmen that more normal commercial relations with Russia will soon be resumed.

These were interrupted about a year ago in the aftermath of the Soviet invasion of Afghanistan. After consultations with Britain's allies Lord Carrington announced a series of restrictions, to be applied bearing in mind the Government's view that "all trade should be pursued on a basis of mutual advantage".

A preferential credit arrangement, negotiated in 1975, was stopped; all exports involving high technology were to be vetted and, where found to be of strategic value, banned; and Britain, along with its European Community partners, agreed not to make good any shortfall in Soviet grain imports because of United States sanctions.

Ministerial trade contacts were ended and, in various less easily perceived ways support for trade initiatives with the Soviet Union was scaled down. For example, the role of the British Overseas Trade Board was reduced.

The effects of these measures remains difficult to assess, although it is clear that they have been less far-reaching than some businessmen originally feared and some proponents of political action against the Russians hoped.

The latest trade figures show the British actually increased its exports to the Soviet Union, while reducing its imports. Thus, the traditional trade deficit for the first 11 months of last year narrowed from £370m to £266m. This imbalance is no cause for alarm elsewhere for trading partners.

It must also be remembered that business with state-trading countries, like Russia, depend very much on official contacts, especially at ministerial level. The ending of these may prove to have had serious consequences.

For the time being British companies have continued to show the flag in a variety of markets. An examination of recent orders noted to the British Overseas Trade Board gives an indication of their diversity—wrapping supplied by Siat Packing Systems, of London; rescue equipment worth £120,000, supplied by RFD Industries of Godalming; lathes valued at £1.6m, by Wickman Automatic Lathes, of Coventry; plastics and packaging machinery for a margarine factory, worth £2m, supplied by John Waddington, of Leeds.

By far the biggest deal done over the past 12 months was that concluded by ICI last November. The chemicals company, which in 1979 imported products—mainly oil and naphthalene—from the Soviet Union, signed a general trading agreement expected to boost its sales to Russia by about £30m a year. It will run for 10 years.

The deal was signed, on behalf of the Russians, by Mr Vladimir Sushkov, the Soviet deputy foreign trade minister. This indicated the extent to which the trade cold war between Britain and the Soviet Union had thawed.

Mr Sushkov, speaking at a conference organized by the London Chamber of Commerce, had remarked that Moscow welcomed participation by British companies in offshore oil, coal, agriculture, synthetic fibres and machine tools. Machinery imports, however, had been falling.

Nevertheless, Mr Scrivener is convinced that collectively the sanctions have had an effect, which may in subsequent years prove to have been damaging for British industry. He believes

that the various signals of disapproval shown by the Government since 1975, encouraged the Soviet Union to look elsewhere for trading partners.

Since then trade officials—not ministers—have widened the hole in the admittedly thick ice by making a point of attending the same functions. British officials have also resumed their attendance at meetings of the British Russian Chamber of Commerce, which has some 600 company members.

A factor in this process has undoubtedly been the sure knowledge that Britain's political allies, but commercial rivals, have been less hesitant in resuming government contacts and filling the trade gaps left by the British and the more resolutely hard-line Americans who cut exports to Russia by 67 per cent in the first nine months of 1980. Mr Scrivener points to the activities of the West German, Italian, French and Japanese. The more diplomatic United Kingdom trade officials can only mutter darkly. Each of these has retained, or re-established, trade links with the Soviet Union.

A number of large contracts have been signed or are in the offing. They include a £33m heavy vehicle deal involving Fiat Autos; a trade agreement between the Russians and Rhone-Poulenc, the French chemicals group; and contracts for the construction of a Siberia pipeline project with groups such as ENI of Italy and Ruhrigas, of West Germany. Various Western nations have indicated their willingness to provide credits for the financing of the same functions. British officials have also resumed their attendance at meetings of the British Russian Chamber of Commerce, which has some 600 company members.

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Business Diary: Not peanuts for Ex-Presidents • Bargain basement fines

In the four years Jimmy Carter was in the White House the peanut business on which his family fortune was based has been in the doldrums. But now, after frost in the South—any frost is severe in Georgia—there are widespread reports of peanut shortages.

The extent of crop damage is still unclear but prices have begun to move up so, he would seem to have chosen a good time to go back into the business, if indeed that is what he does.

Though he was usually described as a peanut farmer, the business which made him a millionaire was used as an office in the White House. While he was in office he severed all connections with this by leasing it to a private company called Cold Kist and they say that he will not back now that he is out of work. However, the deal was such that if he does, they will not stand in his way.

He is no hurry. He has set up a new office in cosmopolitan Atlanta, rather than in sleepy Plains, and plans to work there at least two days a week. He is writing a book about his presidency and will also be cataloguing and arranging his presidential papers which will be stored in the still-to-be-built presidential library.

Nor will he have any financial worries. He gets an annual pension of \$69,630, which may seem small. But he also gets big expenses. For the first 30 months out of office he gets \$150,000 to pay his staff and he receives \$96,000 a year thereafter.

He has unlimited travelling expenses for himself and two aides and his office rent, telephone and postal charges are all paid for indefinitely.

"To me a fine of £5,000 would be a very big hole in the business indeed", complained one small businessman yesterday. "To MFI it is a mere fleabite."

Theoretically unlimited fines might be imposed for breaches of the Bargain Offenders Order for conviction on indictment, but the queue for the courts is so long that all trading standards authorities prefer to seek summary conviction in magistrates' courts, where the maximum fine is £1,000.

Meanwhile, anyone who wants to avoid prosecution altogether has the way pointed for them by Peter Thomson, director general of the Advertising Standards Authority.

In guidance notes he has circulated on the interpretation of the order, Thomson claims to have discovered a loophole introduced by the Amendment Order which was brought in before the original had even taken effect.

Comparisons with recommended or suggested prices, Thomson says, can now safely quote prices recommended or suggested by any person in the course of business, where originally it could only quote someone who did not himself sell the goods or provide the services in question.

So traders can set their own recommended prices with which to make comparisons

As those who are watching The History Man on television will now, you do not expect to get fine wine from a sociologist. Yet that is precisely what Emanuel de Kadt, a professorial fellow of the University of Sussex, provides.

When the Institute of Development Studies, in which he works, was threatened with eradication by government cuts, de Kadt cast about for an alternative means of livelihood. The fact that his wife is Chilean led him to Chilean wine, of which he has imported 3,500 cases since July last year.

He now counts W. H. Cullen, Victoria Wine and Waitrose among his customers and hopes to near double his volume of business in the coming year.

De Kadt, conscientious sociologist that he remains, searched his conscience before going into business, but decided that buying the country's wine betokened no support for the present Chilean regime. He was only with Concha y Toro, one of the few wine companies quoted on the Chilean stock exchange, which presumably has more widely distributed ownership than most.

He concludes that wine, universally appreciated in Chile, is a middle-class preoccupation in Britain. One day perhaps he may make a sociological study of the phenomenon.

A new play by William Shakespeare is obviously a matter for comment, especially when it is by our own Northern Industrial Correspondent, the playwright "R. W. Shakespeare."

Bill's play is called Here's a Fun Thing, an entertainment based on the life and performances of the Cheeky Chappie, Max Miller, the cockney comedian who died 18 years ago.

The play, Shakespeare's first, has opened to good reviews at the Lyric, Hammersmith. As befits a regional correspondent, Shakespeare was quick to point out to me last night that the production was first performed at the Playhouse in Liverpool a year ago and reached London only via there, the Royal Exchange, Manchester, the Oldham Coliseum and the Edinburgh Festival.

Business News's Bill Shakespeare is a star of an anecdote that goes like this: back returns home, late, tired and emotional. Wife asks: where have you been? Ah, says he, I've been having a drink with William Shakespeare and Roy Rogers. Then, says wife, you are either drunker than I thought or lying. Not so, replies he: Shakespeare is ours and Roy Rogers is with the Glasgow Herald.

Ross Davies

For odours, two types of incineration were investigated. Direct incineration, involving the complete combustion of all organic materials in the gas stream at about 1,000 degrees centigrade can destroy the odour but brings other problems. To burn heavy fuel oil to achieve the required temperature, the normal technique, would itself increase the sulphur oxide emissions by about a half. And the cost of the oil alone would almost double the cost of producing the bricks (from about £30 per thousand to about £55, the consultants estimated).

In the second technique examined—catalytic incineration—energy costs are lower because a lower temperature is used. Again it can effectively kill the odour—but in the process it gives rise to another problem. The fluoride in the gas stream poisons the catalytic bed, rendering it ineffective. Only if fluoride could be removed completely from the gas stream could this technique be regarded as highly unlikely could this process be used.

As for the acid gases, the London Brick Company has experimented with their removal in a modified kiln using a double-alkali scrubber technique. This was successful in removing 95 per cent of fluorides and 80 per cent of sulphur oxides.

Here again, however, this benefit brought attendant problems. Operation of the process was difficult because of technical problems were encountered—high operating cost, high raw material use, serious waste disposal problems arising from the highly odorous, chlorinated sludge produced and fouling of ducts and flues by organic materials. The cost effect would be to increase the ex-works price of bricks by about £14 per thousand.

Other possibilities are being explored, but there seems no easy way to clean up the Bedfordshire air. Ironically, the new scheme would have been much less polluting than the present works.

Local residents, and motorists on the M1, will be aware of the sweetest smell of brickmaking in Bedfordshire for some years to come.

Kenneth Owen

TRANSVAAL GOLD MINING COMPANIES ADMINISTERED BY ANGLO AMERICAN CORPORATION

FINAL DIVIDENDS—FINANCIAL YEARS ENDED DECEMBER 31, 1980

On January 22, 1981, dividends were declared in South African currency, payable to members registered in the books of the undermentioned companies at the close of business on February 9, 1981, and to persons lodging their share warrants to bearer and talons issued by The South African Land & Exploration Company Limited at the office of the United Kingdom Transfer Secretaries, Charter Consolidated Limited, P.O. Box 102, Charter House, Park Street, London W1A 8ED.

The transfer registers and registers of members will be closed in each country from February 10 to 20, 1981; both dates being inclusive. Dividends will be paid on or about March 12, 1981. Registered members paid from their United Kingdom bank accounts will receive the United Kingdom currency equivalent of the dividend (less appropriate taxes). Any such members may, however, elect to be paid in South African currency, provided that the request is received at the office of the transfer secretaries in Johannesburg or in the United Kingdom on or before February 6, 1981. The effective rate of non-resident shareholders' tax for the undermentioned companies is 15 per cent.

Name of company (each of which is incorporated in the Republic of South Africa)	Dividend No.	Rate of dividend per share
East Daggaford Mines Limited	74	15 cents
The South African Land & Exploration Company Limited	79	20 cents
Val Roofs Exploration and Mining Company Limited	48	700 cents
Western Deep Levels Limited	38	400 cents

By order of the boards
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
Secretaries per: G. R. BULL, Director General, London Office; 40 Holborn Viaduct, London EC1A 3DF; Johannesburg Office: 100 Market Street, Johannesburg, January 23, 1981.

FOR SALE Profitable Haulage Company with substantial contracts

Diversification into other activities prompts sale of profitable well-established haulage company, with substantial existing contracts, located in Sussex, near Gatwick Airport.

Facilities include site, workshop and office accommodation. Fleet consists of 20 well-maintained vehicles together with associated trailers and equipment.

Opportunities exist for expansion of the already stable work load. Initial enquiries, in writing please, to:

SHAPCREST LIMITED 23 Queen Anne Street, London W1M 0AL

Stock Exchange Prices

Little interest

ACCOUNT DAYS: Dealings Began, Jan 12. Dealings End, Today. 5 Contango Day, Jan 25. Settlement Day, Feb 2
 5 Forward bargains are permitted on two previous days

THE SCOTCH OF A LIFETIME

The Buchanan Blend



1980/81 High Low Stock				1980/81 High Low Company				1980/81 High Low Company				1980/81 High Low Company				1980/81 High Low Company			
Price	Change	Yield	P/E	Price	Change	Yield	P/E	Price	Change	Yield	P/E	Price	Change	Yield	P/E	Price	Change	Yield	P/E
BRITISH FUNDS																			
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BANKS AND DISCOUNTS																			
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